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# APPENDIX

TO THE

## FIFTY-SECOND VOLUME

OF THE

### JOURNALS OF THE HOUSE OF COMMONS

#### DOMINION OF CANADA

SESSION 1916

PART I

*PRINTED BY ORDER OF PARLIAMENT.*



OTTAWA

PRINTED BY J. DE L. TACHÉ,  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1916





## LIST OF APPENDICES, 1916.

### PART I.

- No. 1.—Reports of the Select Standing Committee on Public Accounts in connection with the consideration of certain payments: The evidence, as appended to the Second, Fourth, Fifth, and Sixth Reports of the Committee, dated respectively, March 15, May 2, and May 17, 1916, *recommended printed as an Appendix to the Journals. Concurred in. See Appendix No. 1. Printed.*
- No. 2.—Reports of the Select Standing Committee on Agriculture and Colonization, respecting evidence given, in connection with the consideration of the Improvement of Canadian Agriculture, by Mr. Nunnick, as appended to the First Report of the Committee, dated March 21, 1916; also the evidence given, in connection with the consideration of Immigration, by Mr. Robertson, as appended to the Second Report of the Committee, dated April 3, 1916, *recommended printed as an Appendix to the Journals. Not concurred in. See Votes and Proceedings, page 739, Second Report of the Joint Committee on Printing. Not printed as an Appendix.*

### PART II.

- No. 3.—Report of the Select Standing Committee on Marine and Fisheries, respecting evidence given, in connection with the consideration of a Resolution relating to the spread in price of sea-foods in Canada between the points of production and consumption, as appended to the Third Report of the Committee, dated May 4, 1916, *recommended printed as an Appendix to the Journals. Concurred in. See Appendix No. 3. Printed.*
- No. 4.—Report of the Special Committee, appointed to consider and report upon the Rates of Pensions to be paid to disabled Soldiers and the establishment of a Permanent Pensions Board: The evidence given, and the statements submitted in connection therewith, as appended to the Third Report of the Committee, dated May 10, 1916, *recommended printed for distribution and as an Appendix to the Journals. Ordered printed forthwith. See Appendix No. 4. Printed.*





# EVIDENCE

TAKEN BEFORE THE

## PUBLIC ACCOUNTS COMMITTEE

DURING THE

SESSION 1916

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OFFICIAL REPORT OF EVIDENCE

TAKEN BY THE

PUBLIC ACCOUNTS COMMITTEE

IN CONNECTION WITH

GRANT, SMITH & CO.





Mr. Middlebro, from the Select Standing Committee on Public Accounts, presented the Fourth Report of the said Committee, which is as follows:—

Having had under consideration the accounts, vouchers and other papers relating to certain payments to Grant, Smith & Company & MacDonell, Limited, in connection with Drrdging at Victorio, B.C. Harbour wharves, as set out at V—431 to 437, Report of the Auditor General for the fiscal year ended March 31, 1915; and having, in connection therewith, examined witnesses under oath, you Committee, ofr the information of the House, herewith report the evidence given by such witnesses; and recommend that the same be printed as an Appendix to the Journals, and that Rule 74, relating thereunto, be suspended.



## MINUTES OF EVIDENCE.

HOUSE OF COMMONS,

COMMITTEE ROOM No. 301.

MONDAY, MARCH 6, 1916.

The Select Standing Committee on Public Accounts met at 11 o'clock a.m. Mr. Bennett (Simcoe), in the absence of the Chairman, presiding.

The Committee proceeded to the consideration of certain payments to Grant, Smith & Company and MacDonnell Limited, in connection with dredging at Victoria, B.C., harbour wharves, as set out at pages 431 to 437 V-Auditor General's report for the fiscal year ended March 31, 1915.

Mr. CARVELL: In this case, Mr. Chairman, we had better, perhaps, take Mr. St. Laurent first.

Mr. R. A. PRINGLE, K.C.: Before entering into this matter, Mr. Chairman, I would ask the consent of the Committee to appear on behalf of Grant, Smith and McDonnell.

Mr. CARVELL: The proposition of Mr. Pringle is satisfactory to me, I have no objection whatever.

The ACTING CHAIRMAN: Is it the pleasure of the Committee that Mr. Pringle be allowed to act for these contractors?

Motion carried.

Mr. PRINGLE: If I may be permitted I would like to make a brief statement. I might say that my instructions are to facilitate the work of the Committee in every way possible. Insofar as my clients are concerned they have instructed me to offer every facility to expedite this investigation. Now their reasons for that are simply these,—I am speaking subject to correction if I am wrong, but I want to give the present financial position of this contract. The estimates right down to January 31 amount to \$276,431.42; there is on deposit with the Government \$112,000; there is in plant on the work over \$100,000 at the present time which aggregates altogether \$488,431.42. Then there is work for February last which is approximately \$40,000, I think it exceeds \$40,000 by some considerable amount. It is very important to my clients that this aspect of the case should be presented to the Committee. They have not been paid an estimate for many months, I am not making any complaint with regard to that. The Auditor General hearing rumours in regard to this work quite properly stopped payment of all estimates, but you, gentlemen, can understand the difficulty that these people are labouring under by getting no estimates at all. The Government have now in their hands some \$528,431, no estimates have been paid, and I do not wish to go into the details, but from Mr. St. Laurent's report the total difference about which there is any dispute is some \$40,000 which arises out of a question of classification.

*By Mr. McKenzie:*

Q. On whose estimates is the larger amount said to be due to Messrs. Grant, Smith and McDonnell? Those estimates must have been passed by some engineer.

Mr. PRINGLE: I do not say that amount was due to them, but I do say that amount is in the hands of the Government as security for the proper completion of the contract, \$528,431.42. Certain estimates have been paid, but the question as I understand it is that what is in dispute here is simply a question of classification in regard to rock. Mr. St. Laurent found, as I understand from his report, that there has been allowed

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eighteen thousand and some odd hundred yards of rock where there should have been allowed thirteen thousand and some hundred yards.

Mr. CARVELL: The amount of rock allowed is about 25,000 yards.

Mr. PRINGLE: I mean the amount paid for.

Mr. CARVELL: That is the difference between what has been paid for and what has been returned.

Mr. PRINGLE: The amount paid for at rock price is 18,164.7 yards, and what Mr. St. Laurent finds according to his report is that they would be entitled to 13,060 cubic yards. I did not want to take up the time by going into details.

Mr. MCKENZIE: Some engineer must have concurred in the estimate that has been paid. What is the name of that engineer?

Mr. PRINGLE: That is Mr. McLaughlin. There is that difference which I did not want to go into at all at this point, but there is the position.

Mr. CARVELL: Why not address these arguments to the Public Works Department. This Committee has no power to pay money, we have only the right to inquire into the conduct of affairs.

Mr. PRINGLE: I have discussed this matter with the Auditor General who takes the position that until he receives certain reports he cannot authorize the payment of any money. As I understand it—I am not thoroughly posted in parliamentary procedure—the Auditor General takes that stand, and that stand holds unless overruled by the Treasury Board. What I want is to get at the bottom of this matter as soon as possible so that my clients can get some money because, as I have pointed out, although only some \$40,000 is in dispute, there is some \$512,000 in the hands of the Government. Why not give us the October, November, December, January and February estimates, all of which are tied up owing to the investigation by this Committee.

The ACTING CHAIRMAN:—I do not assume that this Committee can direct the Auditor General to make payment.

Mr. PRINGLE: No, I do not think the Committee can do that, but what the Committee can do is this, it can get at the facts so that they will be before the Auditor General and I have no doubt that when the facts have all been established the Auditor General will release some of the money.

Mr. CARVELL: That is what this Committee is here for, we want to get at the facts and, perhaps, it will not be out of place for me to say that so far as I am concerned or instructed nobody has made any complaint to me against the conduct of Mr. Pringle's clients. I have been informed that there has been gross wrong perpetrated in the carrying out of this contract in the city of Victoria by a combination of engineers, inspectors, sub-contractors and people of that class, but I have yet to find any person who has cast any slurs on the honesty and integrity of the main contractors, Messrs. Grant, Smith & McDonnell. I do not know what may develop as the investigation goes on, but I want to assure Mr. Pringle that I have heard nothing against his clients.

Mr. PRINGLE: I am glad to hear Mr. Carvell express himself in that way. They feel keenly over this matter, they feel they have not been guilty of any wrong-doing. If there has been any, it has been, as Mr. Carvell stated, on the part of others.

Mr. A. ST. LAURENT called, sworn and examined.

*By Mr. Carvell:*

Q. You are an official of the Department of Public Works?—A. Yes, sir.

Q. What position do you hold?—A. Assistant Deputy Minister.

Q. And you proceeded to Victoria sometime in the month of December last and made an investigation into the Grant, Smith and McDonnell contract?—A. Yes, an engineering investigation.



## APPENDIX No. 1

Q. Did you submit a report to the Minister?—A. Yes.

Q. Have you the original report with you?—A. I have a copy here. I think the original is with the Minister, but these are copies. I had several copies made.

Q. I have a lot of documents here that must be originals.

Mr. CARVELL: Now, Mr. Chairman, can you adopt the same course in this as in the former matter and have this report incorporated in the minutes?

*By the Chairman:*

Q. As I understand it, this evidence was taken at Victoria under oath?—A. Just an engineering investigation.

Q. And you made a report?—A. Yes.

The CHAIRMAN: Is it the pleasure of the Committee that the report be incorporated in the record without being read?

Carried.

(For report see Appendix .)

*By Mr. Carvell:*

Q. Who were the sub-contractors on the work which you investigated in Victoria Harbour?—A. The sub-contractors were Mr. McDonald—I did not put the initial—who sublet—

*By the Chairman:*

Q. McDonald is the original contractor?—A. No. Grant, Smith and McDonnell were the original contractors.

*By Mr. Carvell:*

Q. Who came next?—A. Mr. C. E. McDonald.

*By Mr. Barnard:*

Q. Is there not a firm in between these two? C. E. McDonald did not sub-let?—A. Angus McDonald.

Q. C. E. McDonald did not sub-let. There was a firm in between, I think, a third McDonald?—A. Angus McDonald.

Q. Angus McDonnell and the Grant, Smith and McDonnell are the same.

Mr. CARVELL: From my reading of the matter I gather that C. E. McDonald was the sub-contractor.

Mr. BARNARD: He is the one you are after.

Mr. CARVELL: We are not after anybody.

The WITNESS: And he sub-let to Messrs. Henry, McFee and McDonald.

Mr. BARNARD: That is a third.

The WITNESS: I understand for the drilling and blasting; and the Pacific Dredging Co., got a sub-contract for the dredging, excavation by dredge.

*By Mr. Carvell:*

Q. Now, let me see: who will we call the sub-contractor? Would you call it C. E. McDonald, or Henry, McFee and McDonald? Put it this way Mr. St. Laurent: Who were the men who did the boring, blasting and actual dredging?—A. Henry, McFee Company and the Pacific Dredging Company.

Q. They did it. For whom did they do it?—A. They did it for C. E. McDonald.

Q. That is what I thought?—A. And ultimately for the main contractors.

*By Mr. McKenzie:*

Q. Did we understand you to say there was only one contractor, the main contractor and a sub-contractor?—A. A main contractor and a sub-contractor who sub-let the work.

Q. There were three concerns.

MR. A. ST. LAURENT

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Mr. CARVELL: Henry, McFee and McDonald, who was the McDonald, or some man who was the McDonald of the original contractors?

The WITNESS: No, the McDonnell of the contract, of Grant, Smith & Co., is spelled M-c-D-o-n-n-e-l-l, and the second one spells it M-c-D-o-n-a-l-d.

*By Mr. Carvell:*

Q. Then they were not the same person?—A. No.

Q. But there seemed to be a third McDonald. I could not just understand.

Mr. BARNARD: That is Henry, McFee and McDonald.

Mr. CARVELL: Then he is another person.

Mr. BARNARD: Another outfit altogether.

Mr. CARVELL: There was one McDonnell, and two McDonalds. I have an impression some way that the third McDonald was the same as the first.

Mr. BARNARD: I do not think so.

*By Mr. Carvell:*

Q. Who was the resident engineer on the dredging work?—A. Mr. J. S. MacLachlan was in charge of the whole work.

Q. Describe generally of what did the whole work consist?—A. The whole work consisted of some excavation, first rock and earth.

Q. I am asking you to tell generally what was the whole outlay?—A. The construction of two piers built on a foundation, with rubble mound stone, and on top of this were to be sunk concrete cribs, these cribs filled in with gravel, and on top of these again a retaining wall to bring up the whole pier six feet above high water level. These retaining walls were about 300 feet apart, and between these was a space to be filled entirely to the top of the walls.

Q. Let me ask you another question. You were starting in to construct two piers in Victoria harbour. How many slips or berths would that make?—A. That would make four berths 800 feet long and one 1,000 feet long.

Q. And in making these four berths you would necessarily do some work that might be useful when you come to add on on the other side?—A. Yes.

Q. That was the general intention?—A. Yes.

Q. Then you had to construct a seat or a foundation for the slips under the wharves or piers?—A. For the cribs.

Q. We call them wharves in the Maritime Provinces?—A. But in this case you see the wharf is two lines of cribs, and the walls filled in between.

Q. Now, let us start at the bottom. These walls are about 300 feet apart?—A. 300 feet apart.

Q. Now, did you excavate under the whole 300 feet of length round the edge a place on which to set the cribs?—A. Just around the shore ends and for about, I might say, 200 feet at some places or less at some other places. As for the rest, the water being deeper than the depth we required for navigation we did not, the Engineering Department did not want to carry the cribs right down to the bottom, so they used the rubble in an embankment to make up for the great depth of water which had to be overcome before sinking cribs.

Q. You made a level on which to place the cribs?—A. Raising the foundations.

Q. Of what were the cribs constructed?—A. Of concrete and steel.

Q. There would be no wooden cribs in the work at all?—A. No wooden cribs.

Q. When you got up a certain distance say to low water then you would build facing?—A. Just a concrete wall on top of these cribs.

Q. How thick would that wall be?—A. That wall? I don't remember exactly the figures.

Q. State approximately.—A. If you will let me look at the contract plans I can give exact answers.

Mr. A. ST. LAURENT.

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Q. The approximate figures are all that I want.—A. (After consulting plans). That would be about 15 feet. I don't find the exact measurements here, but about 15 feet the base and tapering up to about four or five feet.

Q. At the top?—A. Yes, at the top.

Q. That is sufficient for my purpose. Has any of the rubble filling been placed up to the present time?—A. Yes, all the rubble foundation has been dumped into place.

Q. For both piers?—A. Both the piers, for all the walls.

Q. Has any of the dredging been done?—A. The dredging has almost been completed. There are some places where I think they will have to go over it again to make a proper grade.

Q. What would be the minimum depth at low tide?—A. 35 feet.

Q. That would mean dredging down, I suppose, to 36 feet?—A. Yes, sub-grade. If the contractors do it it is allowed as pay material.

Q. Over one foot?—A. Over one foot.

Q. If under the 36 feet they lost that?—A. They lost that.

Q. It is a fact that in engineering they can blast the bottom within one foot of a variation, is it not?—A. No, sir, they are always obliged to drill three or four feet deeper.

Q. That is the drilling, but can they so drill that when they shoot the general bottom will come within an average of one foot?—A. Well, it might come to an average of one foot.

Q. And whenever that is done you allow one foot for pay material.—A. If it is done. If the average is less, we allow only the average of that foot that has been made.

Q. That is the general custom of the Department, and contractors know that when they accept a contract?—A. It is specified.

Q. You dredged then between the piers, that would be the slips?—A. Dredged, yes, between the piers.

Q. And what would be the space between the two piers? For instance you said there would be two piers, that would be four slips. What would be the space between the two piers?—A. 300 feet.

Q. Is not that pretty narrow for a big pier?—A. That is a berth. You are speaking of a berth.

Q. Would there not be two berths?—A. There would be four berths.

Q. I know, but there would be two berths between the two piers, one for each pier?—A. Yes. Well, there would be a central slip, which makes two berths, then on the outside of the piers there are the two berths.

Q. Take the northerly portion, would that not be more than 300 feet?—A. In width?

Q. Yes.—A. No, sir, that is 300 feet. That is quite sufficient.

Q. Then you would require 150 feet on the outside, according to that?—A. Yes. Sometimes the berths are narrow.

*By Mr. McKenzie:*

Q. What is the length of the berth?—A. 800 feet.

*By Mr. Carvell:*

Q. Then one of them is 1,000 feet?—A. One of the outside berths is 1,000 feet.

Q. Was it the excavation of these four berths for which the contract was let that we are going to discuss, that is the Grant, Smith & McDonnell dredging contract?—A. That is the excavation for the foundations of the walls, bulkheads and partly of the slips at the shore ends.

Q. Whatever portion of the slips required dredging to bring them to the 36 foot depth was included in this contract?—A. Was included in that contract.

MR. A. ST. LAURENT.

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Q. In addition to that there would be certain foundations for the slips themselves and certain foundations for the bulkheads? What do you mean by a bulkhead?—A. It is the shore part—

Q. Between the two slips?—A. Between the two slips. It connects the two slips, back of which the filling is done.

Q. And all this dredging was to be done under this contract?—A. Under this contract, yes.

Q. When did they commence operations??—A. When did they commence the operation of dredging, do you mean?

Q. Yes, dredging alone.—A. In May, I guess, of 1915.

*By Mr. McKenzie:*

Q. Is the excavation of rock included in the dredging?—A. Yes, it has to be dredged after it has been drilled and blasted.

*By Mr. Blain:*

Q. What was the total amount of the contract?—A. The total amount of the contract was \$2,244,745.

*By Mr. Carvell:*

Q. In the dredging what classes of material were included in the schedule?—A. Two classes, rock and earth.

Q. And what was the contract price for earth?—A. The contract price for earth was 52 cents.

Q. And for rock?—A. \$9.10.

Q. Could you show the Committee the clause in the specification which provides for the classification of the dredged material?—A. Clause 23 of the specification makes that provision.

Q. Will you read it please?—A. (reads):—

“Excavation.—The materials to be excavated, consist of earth and rock which shall be removed separately by two operations of ordinary dredging and blasting. All the earth overlying the rock must be removed first; any quantity of earth which is supposed to be sand and clay that may be removed at the same time as the rock, shall be paid as earth. Over the crib sites the rock excavation shall be carried to a depth of 36 feet below datum:—”

That means zero or low water.

“In the slips on each side of the wharf, a depth of 35 feet shall be obtained. Wherever no rock is found for the crib site at Elevation 36.0 the dredging will be carried down to Elevation 36.0, or lower if found necessary, and rubble stone will be deposited and levelled as a foundation for the cribs. All materials overlying the rock that can be removed with a dredge shall be considered as earth.

“The volume of all excavated material for which the contractor will be paid will be that occupied by the material before its removal and will be determined by measurements taken before and after its removal—”

*By Hon. Mr. Crothers:*

Q. Is that what you call “place measurement” instead of “scow measurement”?—A. Yes. (Continues reading).

“Cross-sections will be taken over the surface of the rock and these measurements will determine the classification of materials.

“Any excavation performed deeper than one foot below the prescribed grade shall not be paid for.”

MR. A. ST. LAURENT.



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*By Mr. Carvell:*

Q. And the earth was 52 cents, what was the rock?—A. \$9.10.

Q. Then so far as the Government is concerned these are the prices paid to the main contractor?—A. Yes.

Q. I suppose it is a fact that the sub-contractor took the work at less than that, but that made no difference to the Government?—A. No difference whatever, we deal with the main contractor.

Q. How far from the shore, approximately, did they go before they got to 35 feet clear water at low tide?—A. I will have to look over the plans in order to answer that question, if you will permit me.

At this stage, the hour of adjournment having arrived, the further examination of the witness was postponed.

Committee adjourned.

## APPENDIX.

REPORT *RE* VICTORIA, B.C., PIERS.

DEPARTMENT OF PUBLIC WORKS,  
OTTAWA, February 15, 1916.

The Honourable ROBERT ROGERS,  
Minister of Public Works,  
of Canada.

SIR,—I respectfully submit herewith my report regarding excess of rock and other matters connected with the construction of Victoria, B.C., Piers.

Briefly stated, my conclusions based on facts, data and deductions, resulting from my Engineering investigation as presented in the annexed report, are as follows:—

1. The original quantity of rock as given in the schedule is incorrect and should have been 13,060 cubic yards approximately instead of 4,300 cubic yards. (For explanation see pages 2, 3, 4 and 5 of the report.)

2. There was, in my opinion, an error of judgment in classifying certain hard material as rock. The excess of "hard material" over corrected quantities of rock should be classified as earth. (See pages 6 to 19 of the report.)

3. Excavated material dumped as filling in the work should not be included in quantities to be returned as filling; a ruling under the contract to be given in this connection. (See pages 19 and 20 of the report.)

4. The excess of rubble stone, amounting to 96,800 tons, over original quantities is due to sinkage in soft bottom and should be paid. (See page 20 of the report.)

For remarks regarding other matters, kindly refer to pages 21 and 22.

The amount of material paid so far at rock price is 18,164.7 cubic yards. The over payment on this item is more than covered by value of work done so far, and yet unpaid, in connection with some other items of the contract.

It may be of interest to state that the standing of the tenders as based on original quantities, is not affected by the change of quantities, the present contractors still remaining by far the lowest.

I have the honour to be, Sir,  
Your obedient servant,

A. ST. LAURENT,  
*Assistant Deputy Minister.*

N.M.

MR. A. ST. LAURENT.



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Honourable ROBERT ROGERS,  
Minister of Public Works,  
Ottawa.

SIR,—I have the honour to submit my report regarding the excess of rock excavation returned for the Victoria, B.C., piers, under contract with Messrs. Grant, Smith & Co., and McDonnell, Ltd.

When the plans for these piers were being considered, the quantities for certain parts of the submarine work to be performed being very uncertain, the system of asking bids on the unit price basis was selected as more equitable than that of a bulk sum contract.

For the purpose of calling for tenders, a schedule of approximate quantities was prepared, which served to calculate all the bids received on the same basis according to the prices bid for each item, the lowest being selected.

The estimated quantities for earth and rock excavation under water were given in the schedule as follows:—

Earth excavation in place.. . . . .	47,600 c. yds.
Rock excavation in place.. . . . .	4,300 “

or an aggregate of 51,900 cubic yards for these two items, the prices of the successful tenderers being respectively 52 cents and \$9.10 per cubic yard.

The clause in the specification covering the classification was in part as follows:—

“All materials overlying the rock that can be removed with a dredge shall be considered as earth.”

On the 20th of August last, the resident engineer addressed the following letter to the chief engineer:—

“VICTORIA, B.C., August 20, 1915.

“Service Wharves, Victoria Harbour.

DEAR SIR,—In connection with items 1 and 2 in schedule, in the construction of the wharves at Victoria, I have to report that the approximate quantity of rock as described in the schedule will be very much below the actual quantity excavated. One dredge had been employed for some time removing the overlying mud, silt and underlying material, and later a much more powerful dredge. The attempts of both dredges to remove the underlying material were not successful. A very up-to-date boring machine is now engaged in drilling and blasting the material which appears to be a conglomerate and in its original state cannot be removed by a dredge, I therefore, subject to your approval, classify same as rock and hope this will be in accordance with your views.

Yours obediently,

(Sgd.) J. S. MACLACHLAN,  
Resident Engineer.

EUGENE D. LAFLEUR, Esq.,  
Chief Engineer P.W.D.,  
Ottawa, Ont.

This was evidently taken to be in accordance with the specification, since the statement was made that the material referred to, not being capable of being removed by a dredge, had to be drilled and blasted and therefore came under the rock classification.

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A preliminary investigation made at the end of October, when the quantity of rock returned took large proportions as compared with the original quantities, supported this view of the matter as per report on file.

In the progress estimate rendered for work done up to 31st October last, a quantity of rock excavated amounting to 25,286 cubic yards was returned for payment, and the Auditor General, in letters of November 15 and December 2 last, asked for explanations as to this great increase of rock over the quantity mentioned in the schedule.

Under your instructions, Sir, I have examined into this matter and have made a most rigid investigation as to the causes of this large excess of rock, and the conduct of the work generally.

Towards the end of October last, the Contractors were ordered to stop work, but as a result of the first investigation made, mentioned previously, they were instructed to resume operations.

When I arrived at Victoria, on the 31st of December last, the excavation for the piers was practically completed, the drilling and dredging plant removed and the excavated material all dumped as "filling," with other materials brought from a gravel pit, on the area to be occupied by the piers where filling is required.

From sections prepared from records kept, the Resident Engineer placed the total quantity of material to be paid at rock price at 32,175 cubic yards, after having made certain deductions for soft material encountered during drilling.

It is therefore a matter of great difficulty to render a direct and positive judgment in the case, not having had the advantage of seeing the drilling and excavation under way within the area of the contract.

For various reasons, and to clear the matter to the best of my knowledge under conditions prevailing at the works, I have made several assumptions as to the possible causes of the large increase in the quantity of rock, which I think cover every contingency.

I will deal with each one of said assumptions, proceeding by way of elimination:—

*1st Assumption: "Possibility of the Government Inspectors and Engineers being lax in their duties and favouring unduly the Contractors by allowing material at rock price, which should be classified as earth."*

After the most careful inspection of the office records, discussion with the Engineer and Inspectors, I must absolutely reject any suggestion of collusion or dishonesty.

Sworn declarations, willingly given, as to duties having been performed faithfully, etc., are herewith annexed, marked A, B, C, D.

*2nd Assumption: "Possible difference in datum used for original survey and that used for construction work."*

I may explain that if, for any reason, a lower zero datum had been used for construction work than that used for reduction of soundings when the original survey was made, this would have had the effect of lowering the foundation level for the structures, and therefore place them in deeper excavation than shown on plans, resulting in increased quantities.

I find that this was not a contributory cause.

*3rd Assumption: "Variation in base line used for layout of work, in relation to base line originally laid for soundings and borings."*

I find also that there was likely no increase on that account.

When laying out work the Resident Engineer had to reconstitute as closely as possible the original base line which, unfortunately, the survey plans do not show as having been referred to any permanent points on the ground.

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Some of the old stakes had been removed, others probably disturbed, and the Engineer had to exercise great care in reproducing the line in its original location.

The layout was subsequently checked by Mr. District Engineer Worsfold and found to be correct, according to his measurements. For further assurance in this connection, as the astronomical bearing of the old line was given on the survey plan, an astronomical observation was made, and the result was so close to the former determination that I must conclude that there was no error on that account.

The importance of having this point well established can better be shown in the diagram opposite:—

If the line used for the layout had been thrown to the right from the starting point, it would have affected the layout correspondingly and brought the structure in heavier rock excavation than computed from survey plan.

*4th Assumption:—"Degree of accuracy in original soundings and borings."*

Slight differences are noted between the original soundings (depth of water) and those taken immediately before commencement of work, indicating some accretion or deposit of sand and silt during the time elapsed between these two sets of soundings. This would naturally increase slightly the aggregate yardage to be excavated.

As to borings, all indications and further tests made tend to prove that the surface of solid rock was correctly shown on the plan at the points bored.

These test borings were taken in connection with the scheme originally suggested by Mr. Louis Coste, and were made at distances generally varying from 25 to 50 feet on lines 100 feet apart.

They previously served to show that if the piers were constructed as per original scheme, a very large quantity of submarine rock would have to be removed, at an excessive cost.

The layout was changed to the present lines avoiding as much rock excavation as possible, and saving a large expenditure.

When the new location was decided it would have been extremely desirable to supplement the tests made originally by closer borings, before final completion of construction plans, to permit of a more complete knowledge of the sub-soil and a more accurate estimate of the rock to be excavated. These tests take time and money but they are absolutely necessary for a complete study when important works are involved.

The surface of the rock formation at the pier site, and all along the adjacent shore, is very irregular. It changes abruptly and there are practically no level parts or areas, the slope as the rock recedes from shore being rather steep and broken up.

Under these circumstances there is no possibility of making a very accurate estimate of submarine rock work covered with other materials. At best, even with tests, say every ten or twenty feet apart, as the case may require, the estimates retain an element of uncertainty.

*5th Assumption:—"Possible errors in calculating original quantities from survey and contract plans."*

In the schedule of tenders, the quantity of earth and rock material to be excavated was stated as follows:—

Earth excavation measured in place.. . . .	47,600	cubic yards.
Rock " " " " .. . . .	4,300	" "
<hr/>		
Aggregate quantities.. . . .	51,900	" "

By a careful examination of the plans and test borings, I find that the quantity of rock was very much underestimated. The quantities were not taken on lines quite



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in accordance with the construction plans. The error found, however, does not account for the whole of the excess of rock returned.

By referring to the annexed descriptive plan, it will be seen that, for some unexplained reason, areas at both ends of the bulkheads were left out, and at the point marked "A" occurs the heaviest rock section.

Back of the bulkhead, in calculating the original quantities, only 2 feet back of the cribs were allowed while the plans showed the excavation to be carried 10 feet back with a slope of 1 in 1, to allow of sufficient space in handling and sinking cribs.

In submarine rock excavation, contractors are always obliged to drill 3 or 4 feet below grade and remove some of the extra rock blasted, in order to be sure that no points of rock are left projecting above grade.

It is specified that: "Any excavation performed deeper than one foot below the prescribed grade shall not be paid for." That is—pay material is allowed down to a sub-grade one foot lower than grade specified of material removed; any overbreak below that is not to be paid for. I find that no allowance was made for this sub-grade.

Calculated on correct lines, the quantity of solid rock mentioned in the schedule should have been approximately 13,060 cubic yards instead of 4,300 cubic yards.

*6th Assumption.*—"Possible error of judgment in classification and in the interpretation of drilling records from which quantities are made up."

The specification provides that the materials to be excavated shall be classified under two heads only: "earth and rock," and defines the difference between the two classes as follows:—"All materials overlying rock that can be removed with a dredge shall be considered as earth."

During the progress of the work, some hard material other than solid rock was encountered, which the Engineer in Charge considered too hard to be "removed with a dredge" without drilling and blasting, and therefore he placed it under the classification of rock.

I must say that this definition of the two classes of materials as specified is too vague and leaves too much of a personal or human factor, which it is always preferable to eliminate as much as possible in specifications.

The standard classification now used in specifications for dredging is much more definite and leaves almost nothing to the decision of the Engineers who may hold different opinions, or err in judgment, in returning quantities under the two classes. I may quote same as it is very desirable that it should be adopted for construction work involving submarine excavation.

"Classification and payment.—The materials to be excavated will be divided into two classes:—

Class A.—"Solid rock requiring drilling and blasting, and boulders over two cubic yards or more;

Class B.—"Loose or shale rock, silt, sand, quicksand, mud, shingle, gravel, clay and sand, gumbo, boulders, hardpan or material of any kind whatsoever except that specified under Class A."

"The contractors have to make their prices in accordance with conditions and this rigid division of the two classes.

"As I desired to see some of the hard material under consideration, after some preliminary investigation, I decided to make a practical test on the material adjacent to the excavated area, with the Departmental dredge "Ajax", and I requested the Engineer in Charge to place the dredge where likely some of the hard material other than rock would be encountered and brought up for examination.

The dredge worked in several indicated locations, and though solid rock was found in locations above grade where indicated by the borings, no other material was met with requiring undue strain from the machine to handle.

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Of course, I could not attach too much weight to this failure to satisfy myself in connection with his material, from tests made outside the limits of the excavation, especially in a formation where patches of hard material may occur here and there in irregular areas. For this reason, convinced of the sincerity of the Engineer in his decision regarding classification, whether right or wrong, I considered it only fair to give him an opportunity to make a full written statement regarding the matter, and I wrote him the following letter with this end in view:—

“VICTORIA, B. C., January 7, 1916.

J. S. MACLACHLAN, Esq.,  
Engineer in Charge, Victoria Piers,  
Victoria, B. C.

Dear Sir:—

*Re classification of Excavated Material, Victoria Piers.*

“Apart from the solid rock in the excavation there is a certain quantity of hard material which was drilled and blasted before removal and which, under the specifications, would come under the classification of rock, if this material could not actually be removed by a dredge without blasting.

Under the actual conditions of the work at present, the excavation having been completed, it is quite impossible to give the conclusive evidence which is required of me from tests made outside of the areas covered by the work, which at best can only give crude and perhaps misleading indications.

I judge, from the information already obtained, verbally and otherwise, that some of this hard material which was drilled and blasted (apart from rock) was sometimes overlying the solid rock surface directly, and sometimes overlying sand or softer material, in the form of a hard stratum of varying thickness and hardness.

As the quantity of hard material in place is obtained finally from drilling records kept by both the contractors and your inspectors under your supervision, I understand allowance is made for the quantity of material which could have been dredged, underlying the hard strata above mentioned, by deducting from the sections of hard material platted from drilling records, 2, 4 or 6 feet, in accordance with conditions found at each section, and your own judgment after discussion with the inspectors.

“This can only be approximately correct, but I recognized there is no other way to arrive at more correct results.

“I have to ask you, however, to give again weighty consideration to the records, with the inspectors, to see if in the case, especially, of the heaviest sections where a deduction of 2 feet only is made whether the percentage of reduction of soft material found is not underestimated.

“After this has been done I think that the inspectors will be glad to have the opportunity in such a case to give a sworn declaration as to the fulfilment of their duties, keeping and checking of drilling records, percentage of reduction referred to above, the whole as may be covered by their work and in terms as may be dictated by their own judgment and conscience.

“I think it would be desirable also to have your own declaration covering these points, as well as covering the question, that in your judgment, the hard material returned, or to be returned finally, under rock price, could not very well be removed by the class of dredges then available for contract work on British Columbia Coast.

“I would be obliged if you could let me have these documents for Monday or Tuesday next, with whatever other information or plans requested and now under preparation.

Yours very sincerely,

(Sgd.) A. ST. LAURENT.







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The Resident Engineer replied by a statement which he afterwards incorporated in a sworn declaration, and which is given in full below, the original being annexed to this report:—

Dominion of Canada, Province of British Columbia, City and County of Victoria,	}	In the matter of the construction of new Ocean Docks at the City of Victoria:
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To Wit:—

"I, JOHN MACLACHLAN, of the City of Victoria in the Province of British Columbia, Associate Member of the Institute of Civil Engineers, London, and Member of the Canadian Institute of Civil Engineers, do solemnly declare as follows:—

1. "I have had eleven years' experience as an Engineer in connection with harbour and dredging works;

2. "The work of inspecting the drilling operations in connection with the construction of the new Ocean Docks at the City of Victoria has been performed by Messrs. Frederick John Jones, Herbert Irvine and Robert Marshall Smith, who made reports in writing signed by themselves showing the results of each day's operations. These reports were sent in to my office and purport to have been made during the actual progress of the work and to be independent readings by said inspectors, which were found to agree with similar and independent readings taken by the representative of the contractors of the said work:

3. "On the 20th August, 1915, when my conclusions on classification had been arrived at and before any excess yardage was paid for, I reported to the Chief Engineer that, subject to his approval, I proposed to classify as 'rock' a material found in the foundations which could not be removed by dredges, and which therefore under the terms of the contract was entitled to be classified as 'rock.' I hoped at that time when such a large additional cost was under consideration that the Department would send an engineer to inquire into the matter. Mr. Valiquet, superintending engineer, arrived at Victoria before this work was completed at the end of October, and, having made a thorough investigation as to the classification, expressed himself entirely satisfied with my recommendation;

4. "The records as indicated in the contract drawings, taken from the original borings to estimate rock surface, and shown in parallel lines which are 100 feet apart, are no criterion in any form of what material cannot be reclassified as 'rock' or otherwise;

5. "The plan of 100' to an inch, showing the original test borings and soundings, is altogether inadequate for calculating even approximately the amount of either solid rock or hard material overlying same, both because the test borings are too far apart to give a sufficiently detailed contour, and because the drill used in these tests would pass through material which could not be removed by a dredge, and would therefore, in the course of actual operations, have to be blasted and classified as 'rock.'

6. "When excavating, measurements were taken by this office corresponding to boring records in approximate squares of 4' from a plant which had 4½ tons resting on a 3-inch steel rod worked under steam pressure; obviously, such a close boring test, if properly carried out, must be correct;

7. "Careful and exact plans, at a scale of 10' to an inch, were made by this office daily showing the actual work carried out from day to day;

8. "When on the dredge with A. St. Laurent, Esq., Assistant Deputy Minister of Public Works, on the 4th of January, 1916, I pointed out the methods adopted in boring to make the special test under observation, when the material

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could scarcely be pierced even when one man had all his weight on the pipe, and the remaining two men could not force the water through. If my assumption is correct the pressure on the material at the base of the pipe must have been 250 lbs. per square inch.

"This pressure has to be overcome before any dredge can successfully operate, and I have yet to discover a dredge on this Coast, apart from Government dredges, which will overcome this pressure, particularly working with an arm length of 46' and at an inclined angle. The original borings also were taken in parallel lines at 100' apart, and bearing this in mind, I pointed out to Mr. St. Laurent several indentations in the contour through which, if the lines of borings had been taken, an enormous amount of hard material overlying rock would be missed in calculating the quantities. These irregular contour lines are also an indication that the hard material overlying rock is also irregular in horizontal and vertical planes, and this I would carefully draw attention to in reply to the statement that the present borings and tests have not shown any very hard stratum overlying rock except in a few locations. I do not know what material is outside the lines dredged, nor does it decide the issue but I have a very clear recollection of the work which has been carried out within the specified lines. This is not the only instance which proves this system of estimating hard and soft material to be deficient. In Vancouver the same methods were employed, and when the actual work was subsequently carried out, it was found that the hard material exceeded the estimate by 100,000 cubic yards, as I have been informed;

9. "The original plan from which the works had to be set out is drawn on a scale of 100' to an inch. On it there is not a single line or angle by which the proposed piers may be located with reference to any existing works save by scaling. A considerable knowledge of mathematics and experience in harbour works was consequently necessary correctly to lay out the work, which was done without assistance from the Department. Acting on the instructions of the Department, Mr. Worsfold, District Engineer, visited the works on December 3, 1915, and found the location of the piers to be in accordance with the original plans. Since Mr. St. Laurent arrived here, and acting under his instructions, an endeavour has been made by my staff to calculate from the drawings accompanying the original estimates the quantities of rock to be estimated. Conclusive proof has been given that no hard material other than actual rock was included in these estimates, although it is a matter of common knowledge that in all excavation contracts the term 'rock' loses its technical geological meaning and is used to cover other hard materials which require to be bored and blasted and treated generally as actual rock. On the contrary, in order to arrive approximately at the schedule figures, it has been found necessary to make assumptions which no practical Engineer would entertain. The first assumption is, that the material, hard and soft, at the back of the cribs is to be excavated only for a distance of 2' from the back with a vertical face. The drawings show a 10' space with a slope of 1 to 1. Even on land it is impossible to excavate to a vertical face, and I certainly know of no type of dredge which can perform that feat;

10. "The second assumption is, that the excavation at the return ends of the piers was only carried out for a distance of 75 feet in each case instead of 150 feet. This assumption entails a further one, that the back fill at these places, composed of sand and gravel, will stand as a vertical wall without support for a height of 44 feet, which is absurd. A third necessary assumption is, that the excavation was not to be carried out beyond depths of 35 feet, but the specifications distinctly call for an additional foot which, with a foot subgrade gives another 2 feet in depth not included in the original estimates;



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11. "Mr. St. Laurent's letter does not require that I should establish these facts, but in view of the difference in the quantities given in the estimates and these sent in from this office during excavation, and also considering that no hard material other than the actual rock was included in the original estimates, I consider it only fair that I should quote them;

12. "The comparison between the results from the original boring records taken in parallel lines which are 100 feet apart and these taken by this office in squares of about 4 feet apart while the work was being actually carried out is a complete reply to the paragraphs in Mr. St. Laurent's letter referring to the different material met with;

13. "The plant used in drilling the material during excavation may be considered as a perfect type of machine for recording hard surfaces. On it there are five drills, the weight of each point of which, exclusive of steam pressure, is about  $4\frac{1}{2}$  tons. This weight rests on a three inch bit and with the steam pressure forces the point through all soft material, and when suddenly brought to a standstill by hard material a whistle for the Inspector in charge is blown and a record of the height of the steel agreed on by him and the contractor's representative is made before operations are recommended. These records give the surface of hard material which has been classified as material which cannot be removed by a dredge, and therefore for the purposes of the contract to be regarded as 'rock.' The system of using machinery for finding hard surface entirely eliminates the personal equation which cannot fail to enter the systems of borings taken by men using a force pump and pipe as in the case of the original estimates. In all cases the material between the hard surface thus found and three or four feet below grade was drilled and blasted;

14. "In some cases before grade was reached the layer of hard material gave out and a layer of soft material was struck, which in my opinion could be removed by a dredge. It is extremely difficult to observe exactly the height at which the drill commenced to penetrate this soft material owing to the drill and heavy superincumbent weight rushing quickly through the soft material after boring the hard. Personal observations were made by me and continual conferences on the classification were held between the inspectors and myself at the time and on the information obtained I made certain deductions which to the best of my knowledge are correct. Incidentally, it may be observed that the contractors have made a vigorous protest against the amount of the deduction;

15. "Since Mr. St. Laurent's letter was received, Inspector Jones, one of those in charge, was brought before Mr. St. Laurent and the matter of the 2 feet deduction in the western slip, mentioned in said letter, was discussed. He then, as previously to me, stated emphatically that the deduction of 2 feet was in excess of what he considered fair and just, as in the greater portion of this area the drill had to work every foot. In this connection it is fitting that I should state that the Inspectors, Messrs. Jones and Smith are men of age and respectability, residents in Victoria for many years, and both employed by the municipal council as inspectors on important city contracts. They gave entire satisfaction in that position, and were specially recommended to me on that account by Mr. G. H. Barnard, M.P. The other inspector, Mr. Irvine, is also a competent man, but he was engaged on this work but a short time;

16. "Other features in connection with the hardness of the material drilled which will probably throw light on the subject are the rates at which the holes were bored—approximately 8 feet per hour which will be considerably less if the reductions made for classification are taken into account—the quantity of gelignite used, viz:—47,000 pounds, and the closeness of holes—4 feet apart on an average. The crudest calculations will show that 47,000 pounds of gelignite, which is a high explosive, could not be used under any circumstances to

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excavate 4,300 cubic yards of rock, the original quantity estimated. On the other hand while not furnishing an exact check the quantity of gelignite would allow  $1\frac{1}{2}$  pounds per cubic yard of the hard material actually excavated and classified as 'rock' which is at least an average quantity for actual rock;

17. "I would draw attention to an important fact, that even with the amount of powder used the dipper dredge employed could not complete the excavation of the cut even after blasting, and on three distinct occasions it was found necessary to go over the ground and re-drill and re-blast;

18. "Another comparison, which I suggest, is that between the original plans drawn at 100 feet to an inch and those made by this office, drawn 10 feet to an inch from records while the work was actually being carried out, and which are consequently much more accurate and reliable. I am more than proud of the methods employed in preparing all plans and records of the work under my control, and I am more than keen to prove that they followed a concise, comprehensive and accurate system of showing what work was actually done. The methods adopted are those derived from eleven years varied experience in different countries in dredging and harbour works generally.

"AND I make this solemn declaration conscientiously believing the same to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the "Canada Evidence Act".

Declared before me at the City of  
Victoria, British Columbia, this  
11th day of January, 1916

(Sgd.) J. S. MACLACHLAN.

(Sgd.) H. A. MACLEAN,

*A Notary Public in and for the Province of British Columbia.*

Several of the matters covered by the sworn statement have already been dealt with in other parts of this report. I quite agree with some of the opinions expressed, but the result of my investigation forces me to dissent from some of the conclusions arrived at. I will take up such points as relate to the assumption under consideration.

In paragraph 8, the Resident Engineer after referring to methods adopted in boring and "assumed pressure exerted" to go through certain material, says:—

"This pressure has to be overcome before any dredge can successfully operate and I have yet to discover a dredge on this coast, apart from Government dredges, which will overcome this pressure, particularly working with an arm of 46 feet at an inclined angle."

This is a practical admission that the material could be removed by some class of powerful dredges, and the Government dredges in British Columbia are not machines of an unusual power. Quoting again the specification:—

"All materials overlying rock, that can be removed by a dredge shall be considered as earth".

if this clause must be adhered to strictly it has the effect of throwing all this excess of hard material other than rock in the earth class.

It seems that the Engineer's decision rested on the fact that the Contractor's plant, brought on the work, proving inadequate, drilling and blasting was resorted to in order to loosen the material as is sometimes done, and through the inability of procuring a more powerful plant locally, he felt justified in returning at rock price the material so drilled (though capable of being removed by stronger dredges), an interpretation which the specification clearly does not permit. I recognize, however, the difficulties and the dilemma in which the Engineer was placed by the probable absence



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of more powerful dredges immediately available on the British Columbia Coast from dredging firms.

In clauses 12, 13, 14 and 15, the Engineer describes the method used in drilling, and in recording the surface elevation of the hard material and also the way some deductions were made for soft material when the drill went through a hard stratum and dropped again in soft material.

As a matter of fact, the method cannot be quite safe, as the drill with all its weight being lowered down through soft material on top, is bound to be stopped sometimes by boulders, gravel, packed sand and gravel, etc., before reaching real rock or hardpan and a wrong record of the pay-rock material at an elevation higher than the true one is the result.

A close inspection of the drilling records, considering the speed at which the drills went through the material after commencing drilling, proves this to be true.

In reading paragraph 14, it is easy to imagine that the deductions made might be greatly in error.

It is also obvious that for one inspector alone on a scow of five drills "it is extremely difficult to observe exactly the height at which the drill commenced to penetrate soft material owing to the drill and heavy superincumbent weight rushing quickly through the soft material after boring the hard." In such situations more inspectors should have been engaged in order that one man could not have had more than one or two drills to watch and get more accurate and more complete records as to actual depth of drilling through real hard material.

Drilling—In paragraph 16 of the declaration, it is stated:—"Other features in connection with the hardness of material drilled which will probably throw light on the subject are the rate at which the holes were bored—approximately 8 ft. per hour which will be considerably less if the reductions made for classification are taken into account . . . ."

In rock work, average feet drilled per hour are deduced from total record of feet drilled divided by total number of hours of actual drilling work. This percentage may vary according to interpretation as to what may constitute time lost in actual operations.

In this case, however, the average rate deduced has no value to give indications as to quantity of material of such hardness that it may come under the class of rock, on account of drilling into two classes of material entirely different and at rates of speed varying considerably.

The rock at Victoria is hard gneiss or stratified granite. A careful analysis of the drilling records shows that the rate of drilling through certain material classified as rock to be 20, in some cases, over 80 feet per drilling hour as compared with 3 feet and less in actual rock.

I give below a comparison between two definite areas, where in one case only actual rock was drilled, and in the other case only the "other material."

Actual Rock Drilling:—Assuming full time of shifts, the rate of drilling was, for the area under consideration, about 1.8 lineal feet per hour ranging from a minimum of 1.4 lineal feet to a maximum of 2.2 lineal feet. Deducting time lost and taking for a basis the time the drills were actually working plus time necessary to change the drills, the average number of feet drilled per drill-hour was about 2.7 lineal feet ranging from a minimum of 2.4 lineal feet to a maximum of 3 feet.

"Hard Material" drilling:—In the west slip, where the heaviest rock excavation occurs, as well as the heaviest quantity of "hard material" returned as rock, there is an area about equal to one fifth of the site excavated for the whole work, where positively actual solid rock dipped down deeply under grade, and could not therefore be encountered by the drills.

A fairly large quantity of material returned under rock price is shown over this area, and the result of the analysis of drilling work at that locality is as follows:

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The boat used was a first class five drill boat working generally morning and afternoon in shifts of eight and nine hours each.

The area referred to above was covered in four days of 333.5 drill hours. The number of holes drilled in this time was 839, an abnormally high number as compared with usual rock drilling. The number of feet drilled was 8,626.2 feet (out of a total of 46,270 feet for the whole work), an average depth of 10.2 feet for each hole.

Assuming that the five drills could work continuously without any loss of time, this would give an average of 26 lineal feet per drill hour, ranging from a minimum of 16.3 lineal feet to a maximum of 41.3 lineal feet.

But this does not give a fair idea of the speed at which this material was drilled. Some of the drills were often idle and the large number of holes made within a comparatively short time required a large number of changes from drill hole to drill hole and from range to range, representing a much larger proportion of time lost than in actual rock drilling.

Deducting time lost on this account, reduced to a minimum and taking for a basis the time the drills were actually working plus time necessary to clean holes, waiting for loading gang and blast, the average number of feet bored per drill per hour is 65 lineal feet, ranging from a minimum of 49 lineal feet to a maximum of 97 lineal feet.

The class of material under the grade made, in this area, is sand occasionally mixed with some gravel and stones or small boulders.

In all other areas drilled the materials overlaying the solid rock were practically the same as mentioned above with the addition of pockets of compact clay and gravel, but as no record or elevation was taken when the work was encountered it is impossible to determine separately the rate drilled per hour in other localities.

Under such conditions it is evident that such material cannot be classified as coming under rock price.

*Conclusion.*—I must, therefore, reject these records as giving true indications of the quantity of rock in the work, and I feel justified in concluding from the facts presented, as well as from the admission of the resident engineer, that the material could have been removed by suitable dredges; that part of this large quantity of rock returned for payment over the original quantity is due to errors of judgment in the methods of recording, in classification and interpretation of specifications.

In my opinion, the maximum quantity to be paid at rock price is 13,060 cubic yards calculated from the original test borings which have been found to be reliable and accurate, all material in excess of this to be classified as earth.

The rock surface being very uneven, no doubt lumps and depressions existed between the lines of borings which, I think, have been well averaged by a liberal interpretation of the borings in preparing sections for taking the quantities.

The quantity of 13,060 cubic yards of rock is recommended to be paid in full only when the Engineer reports that full sub-grade has been made by the contractors.

Should the extra one foot allowed by the specification as pay material below grade be removed only in part, some slight reduction will have to be made from the above mentioned quantity.

#### FILLING BETWEEN CRIBS AND BACK OF BULKHEADS.

The quantity in the schedule is 1,094,000 cubic yards and the price is 45 cents.

Only a small proportion of this filling has yet been done.

Owing to some statements made, I have looked into certain matters connected with this part of the work.

---

NOTE.—The contractors' records show that in many cases the cycle of actual time to drill, load and shoot holes 18 to 20 feet in depth was not more than five minutes.

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A small quantity of dredged material has been dumped in this location by the departmental plant, working in the Inner Harbour. I have ascertained that none of this material has been included in the progress estimates rendered.

The material excavated on the site of the work by the contractors, for which they are paid contract prices for removal, has been dumped as filling, and the question arises as to whether this should be considered as "pay" filling at contract prices.

The specification states: "All filling material shall be paid by the cubic yard measured in place after depositing.

There is no clause in the specification governing the disposal of material excavated under the contract, but it is the practice that the engineer may order such material to be wasted or dumped in the work if suitable for filling.

My opinion is that a yardage equal to the amount excavated, (for which the Contractors are paid) and dumped as filling, be deducted from the total quantity of filling when final measurements in place are made, as the excavated material so dumped did not require any rehandling.

In the absence of any special clause defining this, I would suggest that a ruling be given by the Chief Engineer under the powers conferred by the contract, to prevent possible controversy and claims, and for the guidance of the Engineer in Charge.

*Rubble stone foundation.*

Wherever the depth of water is over 36 feet at low tide, the specification and plans provide for a stone rubble mound, 50 feet wide at top with slopes of  $1\frac{1}{2}$  to 1, to form the crib seats.

The quantity required as per schedule was. . . . .	272,200 tons.
Actual quantity placed in work. . . . .	369,000 "
Or actual excess of. . . . .	96,800 "

I have investigated this matter and find that the nature of the bottom is such that a large amount of the stone dumped sinks into soft material forming the bed of the sea.

The excess is therefore due to sinkage, as this rubble mound represent an enormous weight, being in some places over 20 and 30 feet in height.

In calculating the original quantity of 272,200 tons, no allowance was made for possible sinkage. Of course it is apparent that no one can predict in advance the amount of sinkage which may take place, and any allowance made over neat quantities can only be mere guess work.

Therefore, under such conditions in submarine work, the accuracy of quantities prepared for an estimate is always more or less uncertain.

I have looked carefully into the methods used to measure the stone dumped in place, and I can testify that they were carefully and accurately worked out and a perfect system of quantities kept daily.

More settlement will probably take place when the cribs will be placed on these foundation, and a slight excess in mass concrete for the top wall may be erected.

The Auditor General in his letter of the 2nd December last, mentions having seen a statutory declaration by an engineer of the dredge to the effect that up to the 10th August last not more than 600 cubic yards of rock were dredged from the foundations of the Victoria Piers, while the progress estimate, to the end of that month, gives 18,288 cubic yards.

The Resident Engineer offers the following explanations:—

"In reply thereto I beg to refer to the accompanying list, which shows the amount of "rock" certified for each month since the commencement of opera-



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tion and also the amount done per month as calculated from plans prepared each day from the daily reports of Inspectors in charge.

"In the month of June it was impossible to calculate, in time for the monthly estimate, the approximate amount of work done, but for the month of June and July the actual amount calculated from the plans was 4,815 cubic yards, while the amount certified for these two months was 4,783 cubic yards. "During the month of August the amount of "rock" bored, blasted and excavated, as calculated from plans, amounts to 17,637 cubic yards while the amount certified for the month is 13,505 cubic yards; in September the amount calculated from the plans is 9,938 cubic yards, while the amount certified is 7,000 cubic yards.

"In all cases except in the month of June the amount certified is beneath the actual amount of work done.

"As a further reference I would refer you to the drawings accompanying this letter prepared by this office daily from the records sent in by the Inspectors each day, and on which is painted in different colours the amount of work done each month."

Your obediently,

(Sgd.) J. S. MACLACHLAN, *Res. Engineer.*

	AMOUNT CERTIFIED FOR MONTH.		Total.	Amount Actually Done per Month as Calculated from Plans.
	Drilled and Excavated.	Blasted but not Excavated.		
	Cubic Yards.	Cubic Yards.	Cubic Yards.	Cubic Yards.
June.....	864	.....	864	
July.....	2,319	1,600	3,919	4,815
August.....	10,000	3,505	13,505	17,637
September.....	7,000	.....	7,000	9,938
October.....	5,105	.....	.....	

#### PREPARATION OF PROGRESS ESTIMATES ON THE WORK.

The resident engineer has called my attention to the fact that he has been criticized for requesting the contractors to send in their quantities of the progress of the work for the purpose of making his monthly progress estimates.

He explains that this was done simply in order to compare the contractors' figures with the quantities prepared in his office from his own records, and settle at once any large differences which might be shown and which might cause some dispute, before sending the progress estimates for payment.

I must say that it is a common practice to compare quantities of work done as recorded in the Engineer's office with those of the contractor, before sending progress estimates.

If the quantities do not agree closely, the matter is discussed and any error discovered is rectified before returning quantities for payment.

This prevents many disputes after payments are made.

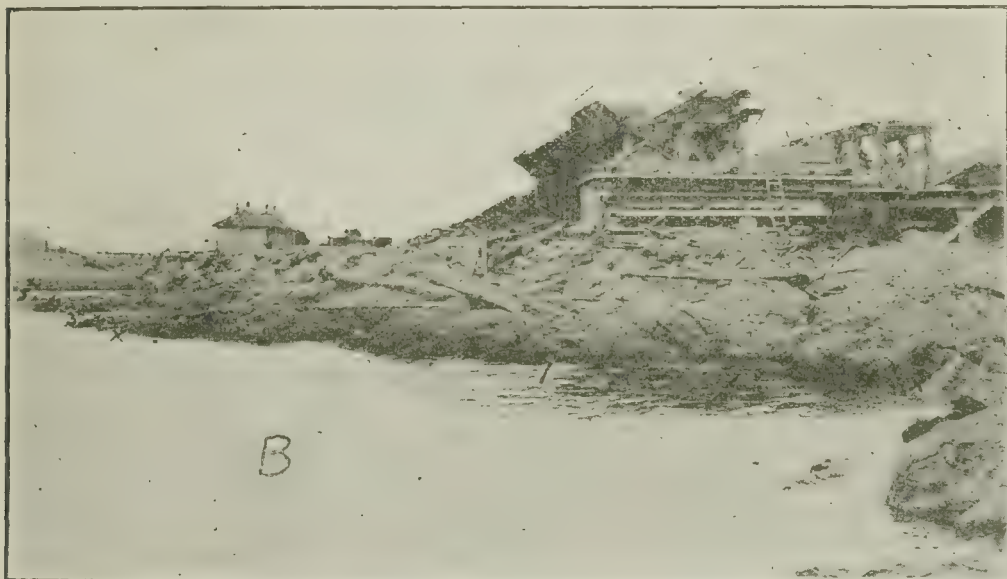
Respectfully submitted,

A. ST. LAURENT,  
*Assistant Deputy Minister.*

## APPENDIX No. 1

MEASUREMENT OF POINTS SHOWN ON PHOTOGRAPHS OF WATER  
FRONT VICTORIA PIERS.

No.	Description.	Length. ft.	Width. ft.	Depth. ft.	Height. ft.	Remarks.
1	Coast line.....	150	.....	.....	.....	Rock shelves down abruptly. Drops abruptly.
2	Rock point (1).....	24	20	.....	3	
3	Water gap.....	.....	7	.....	.....	Rock shelves down gradually,
4	Rock point (2).....	28	15	.....	2	
5	Gap across Jacksons Jetty.	76	130	.....	.....	



View of shore back of bulkheads, showing uneven rock formation. Distance between shore and bulkhead varies from 200 to 400 feet.

NOTE.—These measurements are taken from points indicated on photograph by and as near as possible tide gauge 4 feet 5 inches to 5 feet.



## EXHIBIT A.

Dominion of Canada, Province of British Columbia, City and County of Victoria.	}	In the matter of the construction of new Ocean Docks at the City of Victoria.
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To Wit:

I, JOHN SINCLAIR MACLACHLAN, of the City of Victoria, in the Province of British Columbia, Associate Member of the Institute of Civil Engineers, London, and Member of the Canadian Institute of Civil Engineers, do solemnly declare as follows:—

1. I have had eleven years experience as an engineer in connection with harbour and dredging works:

2. The work of inspecting the drilling operations in connection with the construction of the new Ocean Docks at the City of Victoria has been performed by Messrs. Frederick John Jones, Herbert Irvine and Robert Marshall Smith, who made reports in writing signed by themselves showing the results of each day's operations. These reports were sent in to my office and purport to have been made during the actual progress of the work and to be independent readings by said inspectors, which were found to agree with similar and independent readings taken by the representative of the contractors of the said work.

3. On the 20th of August 1915, when my conclusions on classification had been arrived at and before any excess yardage was paid for, I reported to the Chief Engineer that, subject to his approval, I proposed to classify as "rock" a material found in the foundations which could not be removed by dredges, and which therefore under the terms of the contract was entitled to be classified as "rock". I hoped at that time when such a large additional cost was under consideration that the Department would send an Engineer to enquire into the matter. Mr. Valiquet, Superintending Engineer, arrived at Victoria before this work was completed at the end of October, and, having made a thorough investigation as to the classification, expressed himself entirely satisfied with my recommendation.

4. The records as indicated in the contract drawings, taken from the original borings to estimate rock surface, and shown in parallel lines which are 100 feet apart, are no criterion in any form of what material cannot be removed by a dredge without blasting, and what is therefore entitled to be classified as "rock" or otherwise.

5. The plan of 100 feet to an inch, showing the original test borings and soundings, is altogether inadequate for calculating even approximately the amount of either solid rock or hard material overlying same, both because the test borings are too far apart to give a sufficiently detailed contour, and because the drill used in these tests would pass through material which could not be removed by a dredge, and would therefore in the course of actual operations have to be blasted and classified as "rock";

6. When excavating, measurements were taken by this office corresponding to boring records in approximate squares of 4 feet from a plant which had  $4\frac{1}{2}$  tons resting on a 3 inch steel rod worked under steam pressure; obviously, such a close boring test, if properly carried out, must be correct;

7. Careful and exact plans, at a scale of 10 feet to an inch, were made by this office daily showing the actual work carried out from day to day;

8. When on the dredge with A. St. Laurent, Esq., Assistant Deputy Minister of Public Works, on the 4th of January, 1916, I pointed out the methods adopted in boring to make the special test under observation, when the material could scarcely be pierced even when one man had all his weight on the pipe, and the remaining two men could not force the water through. If my assumption is correct the pressure on the material at the base of the pipe must have been 250 lbs. per square inch. This pressure has to be overcome before any dredge can successfully operate, and I have yet to

## APPENDIX No. 1

discover a dredge on this coast, apart from Government dredges which will overcome this pressure, particularly working with an arm length of 46 feet and at an inclined angle. The original borings also were taken in parallel lines at 100 feet apart and, bearing this in mind, I pointed out to Mr. St. Laurent several indentations in the contour through which, if the lines of borings had been taken, an enormous amount of hard material would be missed in calculating the quantities. These irregular contour lines are also an indication that the hard material overlying rock is also irregular in horizontal and vertical planes, and this I would carefully draw attention to in reply to the statement that the present borings and tests have not shown any very hard stratum overlying rock except in a few locations. I do not know what material is outside the lines dredged, nor does it decide the issue, but I have a very clear recollection of the work which has been carried out within the specified lines. This is not the only instance which proves this system of estimating hard and soft material to be deficient. In Vancouver the same methods were employed, and when the actual work was subsequently carried out, it was found that the hard material exceeded the estimate by 100,000 cubic yards, as I have been informed;

9. The original plan from which the works had to be set out is drawn on a scale of 100 feet to an inch. On it there is not a single line or angle by which the proposed piers may be located with reference to any existing works save by scaling. A considerable knowledge of mathematics and experience in harbour works was consequently necessary correctly to lay out the work, which was done without assistance from the Department. Acting on the instructions of the Department, Mr. Worsfold, District Engineer, visited the works on December 3, 1915, and found the location of the piers to be in accordance with the original plans. Since Mr. St. Laurent arrived here, and acting under his instructions, an endeavour has been made by my staff to calculate from the drawings accompanying the original estimates the quantity of rock to be estimated. Conclusive proof has been given that no hard material other than actual rock was included in these estimates, although it is a matter of common knowledge that in all excavation contracts the term "rock" loses its technical geological meaning and is used to cover other hard materials which requires to be bored and blasted and treated generally as actual rock. On the contrary, in order to arrive approximately at the schedule figures, it has been found necessary to make assumptions which no practical engineer would entertain. The first assumption is, that the material, hard and soft, at the back of the cribs is to be excavated only for a distance of 2 feet from the back with a *vertical* face. The drawings show a 10 foot space with a slope of 1 to 1. Even on land it is impossible to excavate to a vertical face, and I certainly know of no type of dredge which can perform that feat;

10. The second assumption is, that the excavation at the return ends of the piers was only carried out for a distance of 75 feet in each case instead of 150 feet. This assumption entails a further one, that the back fill at these places, composed of sand and gravel, will stand as a vertical wall without support for a height of 44 feet, which is absurd. A third necessary assumption is, that the excavation was not to be carried out beyond depths of 35 feet, but the specifications distinctly call for an additional foot which, with a foot subgrade gives another 2 feet in depth not included in the original estimates;

11. Mr. St. Laurent's letter does not require that I should establish these facts, but in view of the difference in the quantities given in the estimates and those sent in from this office during excavation, and also considering that no hard material other than the actual rock was included in the original estimates, I consider it only fair that I should quote them;

12. The comparison between the results from the original boring records taken in parallel lines which are 100 feet apart and those taken by this office in squares of about 4 feet apart while the work was being actually carried out is a complete reply to the paragraphs in Mr. St. Laurent's letter referring to the different material met with;

6-7 GEORGE V, A. 1916

13. The plant used in drilling the material during excavation may be considered as a perfect type of machine for recording hard surfaces. On it there are five drills, the weight of each point of which, exclusive of steam pressure, is about  $4\frac{1}{2}$  tons. This weight rests on a three-inch bit and with the steam pressure forces the point through all soft material, and when suddenly brought to a standstill by hard material a whistle for the inspector in charge is blown and a record of the height of the steel agreed on by him and the contractor's representative is made before operations are recommenced. These records give the surface of hard material which has been classified as material which cannot be removed by a dredge, and therefore for the purposes of the contract to be regarded as "rock." The system of using machinery for finding hard surface entirely eliminates the personal equation which cannot fail to enter the systems of borings taken by men using a force pump and pipe as in the case of the original estimates. In all cases the material between the hard surface thus found and three or four feet below grade was drilled and blasted;

14. In some cases before grade was reached the layer of hard material gave out and a layer of soft material was struck, which in my opinion could be removed by a dredge. It is extremely difficult to observe exactly the height at which the drill commenced to penetrate this soft material owing to the drill and heavy superincumbent weight rushing quickly through the soft material after boring the hard. Personal observations were, however, made by me and continual conferences on the classification were held between the inspectors and myself at the time, and on the information obtained I made certain deductions which to the best of my knowledge are correct. Incidentally, it may be observed that the contractors have made a vigorous protest against the amount of the deduction;

15. Since Mr. St. Laurent's letter was received, Inspector Jones, one of those in charge, was brought before Mr. St. Laurent and the matter of the 2 foot deduction in the western slip, mentioned in said letter, was discussed. He then, as previously to me, stated emphatically that the deduction of 2 feet was in excess of what he considered fair and just, as in the greater portion of this area the drill had to work every foot. In this connection it is fitting that I should state that the Inspectors, Messrs. Jones and Smith are men of age and respectability, resident in Victoria for many years, and both employed by the municipal council as inspectors on important city contracts. They gave entire satisfaction in that position, and were specially recommended to me on that account by Mr. G. H. Barnard, M.P. The other inspector, Mr. Irvine, is also a competent man, but he was engaged on this work but a short time.

16. Other features in connection with the hardness of the material drilled which will probably throw light on the subject are the rate at which the holes were bored—approximately 8 feet, per hour which will be considerably less if the reductions made for classification are taken into account—the quantity of gelignite used, viz., 47,000 lbs., and the closeness of holes—4 feet apart on an average. The crudest calculation will show that 47,000 lbs. of gelignite, which is a high explosive, could not be used under any circumstances to excavate 4,300 cubic yards of rock, the original quantity estimated. On the other hand, while not furnishing an exact check the quantity of gelignite would allow  $1\frac{1}{2}$  lbs. per cubic yard of the hard material actually excavated and classified as "rock" which is at least an average quantity for actual rock.

17. I would draw attention to an important fact, that even with the amount of powder used the dipper dredge employed could not complete the excavation of the cut even after blasting, and on three distinct occasions it was found necessary to go over the ground and re-drill and reblast.

18. Another comparison, which I suggest, is that between the original plans drawn at 100 feet to an inch and those made by this office drawn 10 feet to an inch from records while the work was actually being carried out, and which are consequently much more accurate and reliable, I am more than proud of the methods employed in preparing all plans and records of the work under my control, and I am more than



## APPENDIX No. 1

keen to prove that they follow a concise, comprehensive and accurate system of showing what work was actually done. The methods adopted are those derived from eleven years' varied experience in different countries in dredging and harbour works generally.

And I make this solemn declaration conscientiously believing the same to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the "Canada Evidence Act."

Declared before me at the city of }  
 Victoria, British Columbia, this }  
 11th day of January, 1916. }

(Sgd.) J. S. MACLACHLAN.

(Sgd.) H. A. MACLEAN,

*A Notary Public in and for the Province of British Columbia.*

## EXHIBIT B.

Dominion of Canada, }  
 Province of British Columbia, }  
 City and County of Victoria. }  
 To WIT:— }

In the matter of the construction of new Ocean  
 Docks at the City of Victoria:

I, Frederick John Jones, of the City of Victoria, in the Province of British Columbia, do solemnly declare as follows:—

1. Since the 19th day of July, A.D. 1915, I have been in the service of the Government of Canada as an Inspector of the drilling operations at the new docks which are being constructed at Ogden Point, in the said City of Victoria.

2. The work of inspecting said drilling operations was performed by Robert Marshall Smith, Herbert Irvine and myself.

3. Each day reports in writing of said drilling operations were sent in by the Inspectors on duty to the office of John Sinclair MacLachlan, Esq., Dominion Government Resident Engineer in charge of said work.

2. I hereby solemnly declare that all the said reports sent in by me, and which were duly signed by me were made out from figures which were actually and conscientiously taken by me during the actual progress of the work, and that the said records show independent readings by me, which were found to agree with similar and independent readings taken by the representative of the Contractors for said work.

And I make this solemn declaration conscientiously believing the same to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the "Canada Evidence Act."

Declared before me at the City of Victoria, }  
 in the Province of British Columbia, this }  
 10th day of January, A.D. 1916. }

(Sgd.) Frederick John Jones.

(Sgd.) H. A. McLean,

*A Notary Public in and for the Province of British Columbia.*

This is certified a true copy.

## EXHIBIT C.

Dominion of Canada,  
Province of British Columbia,  
City and County of Victoria.  
To Wit:—

In the matter of the construction of new Ocean  
Docks at the City of Victoria:

I, Robert Marshall Smith, of the City of Victoria, in the Province of British Columbia, do solemnly declare as follows:—

1. Since the 29th day of June, A.D. 1915, I have been in the service of the Government of Canada as an Inspector of drilling operations at the new docks which are being constructed at Ogden Point, in the said City of Victoria.

2. The work of inspecting said drilling operations was performed by Mr. Frederick John Jones, Herbert Irvine and myself.

3. Each day reports in writing of said drilling operations were sent in by the Inspectors on duty to the office of John Sinclair MacLachlan, Esq., Dominion Government Resident Engineer in charge of said work.

2. I hereby solemnly declare that all the said reports sent in by me, and which were duly signed by me were made out from figures which were actually and conscientiously taken by me during the actual progress of the work, and that the said records show independent readings by me, which were found to agree with similar and independent readings taken by the representative of the Contractors for said work.

And I make this solemn declaration conscientiously believing the same to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the "Canada Evidence Act."

Declared before me at the City of Victoria,  
in the Province of British Columbia, this } (Sgd.) R. M. Smith.  
10th day of January, A.D. 1916. }

(Sgd.) H. A. McLean,  
*A Notary Public in and for the Province of British Columbia.*

This is certified a true copy.



## EXHIBIT D.

Dominion of Canada,  
Province of British Columbia,  
City and County of Victoria.  
To Wit:—

In the matter of the construction of new Ocean  
Docks at the City of Victoria:

I, HERBERT IRVINE, of the City of Victoria, in the Province of British Columbia, do solemnly declare as follows:—

1. On the 7th, 8th, 12th, 13th, 14th and 15th days of October, 1915, I was in the service of the Government of Canada as an Inspector of the drilling operations at the new ocean Docks which are being constructed at Ogden Point in the said City of Victoria.

2. The work of inspecting the said drilling operations was performed by Mr. Frederick Jones, Mr. Robert Marshall Smith and myself.

3. Each day reports in writing of said drilling operations were sent in by the Inspectors on duty to the office of John Sinclair MacLachlan, Esq., Dominion Government Resident Engineer in charge of said work.

4. I hereby solemnly declare that all the said reports sent in by me, and which were duly signed by me were made out from figures which were actually and conscientiously taken by me during the actual progress of the work, and that the said records show independent readings by me, which were found to agree with similar and independent readings taken by the representatives of the Contractors for said work.

AND I make this solemn declaration conscientiously believing the same to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the "Canada Evidence Act."

Declared before me at the City of Victoria,  
in the Province of British Columbia, this } (Sgd.) H. Irvine.  
10th day of January, A.D. 1916. }

(Sgd.) H. A. McLean,

*A Notary Public in and for the Province of British Columbia.*

This is certified a true copy.

## EXHIBIT E.

*Copy.*

TEST BORING ENGINEERS OFFICE, P.W.D.,  
OTTAWA, February 2, 1916.

A. ST LAURENT, Esq.,  
Assistant Deputy Minister P.W.D.,  
Ottawa, Ont.

SIR,—I beg to report on test borings at Victoria, B.C., Outer wharves.

In the early part of January, 1916, additional test borings were made to check the previous borings and to discover the rock, hardpan, conglomerate, or packed material which was being classified as rock.

A scow was obtained on which to set up the boring outfits. On one end of the scow an "A" frame was set up and a block and tackle attached, this was for the purpose of holding up or taking the weight of the pipes while boring, and served to reduce to a minimum the pressure on the materials while penetrating. A small hand pump was used to supply the water.

The borings were made on the edge of the cuts in the immediate vicinity of the excavation from the slips and piers, and over the excavation for the above to determine the tow of the rock slope and the class of material below grade. Borings were also taken on the location of the previous borings made in 1913.

The materials penetrated showed first: A loose materials of fine sand occasionally mixed with some gravel and stones; below this and overlying the solid rock a packed material was found and penetrated, varying in depth from 2 inches to 4 feet. Below this the solid rock was encountered, a very hard rock of gneiss or stratified granite. The area of packed materials was mostly found in the West Slip and extended toward Rithets piers. Of the ten borings over the 150 feet square area of the excavation for the West Slip, three of these showed a packed material of about 3 feet in depth, overlying the rock.

No rock or conglomerate was encountered other than the rock found in the original borings.

The upper or loose material was determined by lowering a pipe with the block and tackle, and pumping a stream of water through it at the same time. The rate of progress through this material was from three to four feet per minute.

In the lower or packed materials the weight of a pipe and a man churning on same was necessary to penetrate this material. When rock was encountered it was drilled on for a considerable time to make sure of same, as frequently the drill would hold up on a stone (or very thin layer of packed material). In making a hole it was occasionally found necessary to make another a foot or two away owing to encountering a boulder amongst the loose material.

The rate of progress and pressure required while penetrating determined the classifying of the materials as to loose or packed material.

Having had eleven years experience in test borings, also a previous nine years of engineering experience on Public Works, particularly excavation work, I can safely say that the materials which can be removed by dredge can be determined by making hand power test borings.

As to the reliability and accuracy of the original test borings made in 1913, these have been verified by the last Test Borings made, also by the dredge testing trials which brought up large quantities of the materials for inspection, and by the con-

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tractors drill records which show that the rate of drilling through a large percentage of the material classified as rock to be as high as 250 feet per hour, as compared with a rate of 3 feet per hour in the actual rock.

As to the materials referred to were classified as rock down to grade; (36 feet, B.L.W.) and includes a large percentage of the total excavation, new tests by boring, drilling, or dredging can be undertaken at any time during the work or after completion of same.

I beg to remain, Sir,

Your obedient servant,

H. B. DAVY,

*Engineer-in-Charge of Test Borings.*

HOUSE OF COMMONS,

COMMITTEE ROOM 301,

FRIDAY, March 17, 1916.

The Select Standing Committee on Public Accounts met at eleven o'clock a.m., the Chairman, Mr. Middlebro, presiding, and proceeded to the further consideration of certain payments to Grant, Smith & Company and MacDonnell, Limited.

Mr. A. ST LAURENT recalled and further examined.

*By Mr. Carvell:*

Q. Mr. St. Laurent, we have your report in evidence, and also I notice there has been a plan printed with the report. Will you tell the Committee, I think you have already told us, but will you repeat what depth of water was required at low tide?—A. 35 feet.

Q. And all material down to that point had to be removed?—A. Had to be removed.

Q. And I think you have also told us they had to remove certain quantities for the pier seats?—A. For the pier seats to 36 feet depth.

Q. What officer took the soundings before the contract was let?—A. I could not say what officer took the soundings.

Q. Possibly you could not say because you were not there, but as far as the Department was concerned who took the soundings?—A. I understand that the resident engineer there engaged a surveyor who took the soundings.

Q. What officer took the soundings before tenders were called for, before the contract was let?—A. I am not so sure about this. This would have to be obtained from the Chief Engineer, all I could find is that the resident engineer there did not take the soundings himself. I mean the original soundings when Mr. Coste investigated as to what improvement should be made at Victoria.

Q. I always thought it was Mr. Davy?—A. Mr. Davy took the borings but the original soundings up to the depth of water—

Q. Then I am wrong, I am using the wrong term. "Borings" is the word I want to use?—A. Mr. Davy took the borings.

Q. Then before the tenders were called for would there be a plan or something showing what the department considered to be the point at which rock would be found on the borings?—A. Yes, such a plan was annexed to the contract plan.

Q. I notice there are a number of figures on the plan attached to the report. For instance I find starting in at what would look as if it were the shore, the lowest

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figure I find is "10," then "11," "11.8," "33.1," going out deeper and deeper?—A. All these figures give the depth of water at low water.

Q. That is the depth of water?—A. The depth of water.

Q. Then would there be any figures here which would indicate at what point below low water mark you would find rock?—A. Yes, where they are ringed you will find alongside these rings the letter "R" and after the "R" there are some figures there which indicate the depth from low water level to the rock.

Q. That is the point; I find in one place a ring and alongside it "R 20," that I presume indicates that at 20 feet below low water you would find rock?—A. You would find the surface of the rock.

Q. Yes, and I find in one place it is as low as "15.5"?—A. Yes.

Q. And in another place "20," "23," "29" and so on as the rock goes lower and lower?—A. It means that the depth to the rock is fifteen feet, the depth we want to obtain being 35, then 20 feet of rock would have to be removed at that point.

Q. Was there any dredging to be done which could be done further out in the water than where you would find rock below 35 feet?—A. Yes.

Q. That is if there were any soft material on the face of the rock it would have to be dredged to 35 feet?—A. To 35 feet.

Q. But you were not supposed to dredge any earth if you did not find it until you went down 35 feet below the water?—A. No, sir.

Q. There seems to be on this plan certain contour lines, but in following them along I cannot quite understand just what they mean. Do they mean that you will find rock at certain places, or do these lines represent the point at which you will find rock?—A. They represent the contour of the same depth of water.

Q. Of water. Well, I may point out to you what I could not seem to understand. Now take the first contour line?—A. The top one indicates that on that line there is 60 feet of water everywhere.

Q. Now the next?—A. That indicates that there are 50 feet of water everywhere along that line, and then the 40 foot line is shown next.

Q. Then these figures at each end of those lines represent the contour of the bottom, and indicate the depth of water. You see there are so many figures on the lines that it is a little confusing and I want to have it understood that the figures at each end of the line represent the depth of water along that line?—A. Yes.

Q. Do you also have on these lines figures showing the depth at which you will find rock?—A. The line is the contour, the rock line is shown by the rings.

Q. Wherever you find a ring with the letter "R" alongside it represents a point at which you will find rock?—A. Yes.

Q. Now, if these borings are properly taken in the first place then there would be no rock to be looked for beyond a certain point, or that point at which you find rock 35 feet below the water?—A. There would be no rock beyond that 35 foot line excepting that sub-grade which is allowed always.

Q. Of course. I am excepting that, you explained before that they always allow for that sub-grade.

The CHAIRMAN: That is in solid rock?

Mr. CARVELL: In order to be sure there is 35 feet in depth.

*By Mr. Carvell:*

Q. I think you explained that if it was actually removed one foot was allowed?—A. Yes.

Q. But if it was not all removed?—A. Only the proportion of that foot which was actually removed would be paid for.

Q. When you went back and made the examination a few months ago did you find any more rock than had been estimated when the tenders were called for?—A. Yes.

Q. Will you explain, as carefully as you can, to the Committee the point at which

MR. A. ST. LAURENT.



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you found this additional rock?—A. I may say that when going to British Columbia I took the contract plan with me, and when examining the plans while on the train I judged, by looking at the borings which showed the rock, that there should be more than 4,300 cubic yards of rock shown on the schedule. I examined the whole thing, and in calculating the rock roughly, while on the train, I found that it should have been between 12,000 and 13,000 yards, if the rock was taken on the contract plans.

Q. How did you arrive at that conclusion?—A. I arrived at that conclusion because before going west Mr. Valiquet had asked Mr. Davy to calculate the quantities of rock on certain lines, that is 75 feet beyond each pier.

Q. Does that mean in toward the bank?—A. That means on the shore line.

Q. When you say "beyond" that does not mean out in the water but on the bank?—A. Yes, parallel with the bank, and allowing two feet for the space to be left where the cribs were to be sunk. On these lines they found 4,300 cubic yards, but the contract called for a certain length of cribwork and I found on the contract plans that instead of 75 feet parallel to the shore which was to be excavated it should be 150 feet, which had not been taken into account.

Q. They should have worked out the rock 75 feet further in to the shore. That is a difference of 150 feet in the two piers?—A. Yes. The plans I prepared show the areas that were left out in the original quantities, and in looking at the contract plans I found that the space which was to be allowed behind the crib, what we call the bulkheads, that instead of two feet which had been allowed it called for 10 feet of space so as to allow for further movement of the cribs when being brought into place to be sunk. The contract plans allowed for 10 feet instead of 2 feet which had been allowed in the original quantity. When I arrived in Victoria I asked Mr. MacLachlan, the man who was the district engineer there, to calculate the quantities according to these original lines and according to the exact contract lines. They found about the same thing on the first original lines, 4,500 cubic yards, and 12,700 cubic yards on what is shown to be the correct line, but I was not sure yet of the whole thing. When I got back in Ottawa I put the question to the engineer in charge here as to what lines the quantities had been calculated on and my previous conclusions were confirmed that these two areas at both ends and at the back had been left out.

Q. You mean at the end of each pier?—A. At the end of each bulkhead, the whole length of the bulkheads parallel with the shore, that is the area shown in green.

Q. Did you satisfy yourself when you were there that these areas had been excavated?—A. Yes.

Q. How did you satisfy yourself?—A. I satisfied myself by testing with the Government dredge.

Q. Then you were satisfied that the areas were dredged sufficient to provide for the accommodation of the piers?—A. I am positive of that.

Q. Will you just detail what you did in order to investigate this matter?—A. I took with me Mr. Davy, who had taken the original borings; I wanted to have these checks, in order to see that there had been no error in locating the surface of the rock. So when we got there we organized a scow with a boring machine, and went over certain points which I indicated.

Q. Describe to the Committee how that boring machine is arranged.

THE CHAIRMAN: And operated.

*By Mr. Carvell:*

Q. Both arranged and operated?—A. That boring machine is what we call a pump and pipe outfit. It is a hollow pipe with a point at the bottom having openings in the sides, and through that pipe there is water sent under force of the pump which is attached to the scow, so that when it goes down the material that is washed out



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comes on top of the pipe, and allows the pipe to go down. When the pipe reaches the boulder or hard pan, or rock—if a boulder or rock, of course, they could not go any further, it stops there. In hard pan and indurated clay they could go deeper by working this bar (indicating).

Q. They swing it around?—A. Yes. They could go slowly through some of the hard material.

Q. Was that the outfit you had with you?—A. Yes, sir.

Q. Then they also have the rock boring drills on the scow, don't they?—A. Not for test purposes.

Q. As I understand, you only had the pump outfit, and you did not have the actual drills which could drill into the solid rock?—A. We had, but I did not think it necessary to test it.

Q. You had the other machines?—A. We had the other machines when necessary. For instance, if we met a boulder, and if it is noted to be at the surface of the rock, there is an error in the boring, because the surface of the rock should be deeper.

Q. If you strike something which prevents you from going further, do you at once conclude it is rock, or do you make some experiments around it?—A. The location is changed if it is only a boulder, and if fed further on we will pass beyond the boulder.

Q. So that an experienced man with an outfit of that kind is able practically to ascertain the point at which you will find solid rock?—A. Yes, sir, but even an experienced man will make mistakes.

Q. No doubt about that. But on the average you will be able to find out where the solid rock is found?—A. Yes, sir.

Q. And that is the kind of an outfit you had on your examination?—A. Yes, sir.

Q. Kindly tell us what you did?—A. I asked Mr. Davy to go over certain points, at the western slip there, as containing particularly the bulk of the rock.

Q. This large green patch (indicating on plan)?—A. Yes, the green and red there, marked "A"; that is where most of the rock is found. I asked him to go along the edge of the cut and check former borings to see if the rock was about the same depth. This he did, and found it practically checked the former borings. Then he went beyond the area where rock had been found at certain depths below the grade, and this was checked as being correct also. And then he took some checks, too, in the middle slip, and it was found that the borings were pretty correct; and they are all the checks that he made. Of course, if he were here he could give you the details of his checks.

Q. Speaking generally, the investigation practically tallied with the first report made by Mr. Davy?—A. Yes, if a mistake had been made the boring would have stopped on a boulder. Then, if this had been taken as the surface of the rock in actual work we would have found the surface of the rock deeper.

Q. Do you go this far; that for all practical purposes your investigation proved that the figures on this plan are practically correct?—A. As to the borings, sir.

Q. On this plan there seemed to be two contours, a 30-foot contour and a 40-foot contour, which would seem to be the depth of the water. Am I right in that?

Mr. GREEN: There are four contours.

Mr. CARVELL: There is a 30-foot contour and a 40-foot contour, which I understand represent the depth of the water.

The WITNESS: Yes.

*By Mr. Carvell:*

Q. There is no contour at 35 feet?—A. No.

Q. But you have marked here a 36-foot line in three places, and that would represent the farthest point out in the water at which you expect to drill and blast solid

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rock?—A. The 36-foot line was the farthest point at which dredging had been made, whether rock or soft material. That is the commencement of the excavation.

Q. That is practically, of course, of any kind of material?—A. Of any kind of material.

Q. Have you anything on this plan which shows in your judgment where the dredging of rock commenced or should have commenced?—A. I have, sir, the line limiting the hatched areas in red and green; the outside line limiting these areas hatched red and green.

Q. That is, you have the red on the inside and the green on the outside?—A. The green to show the parts that had been left out in calculating the original areas.

Q. That is the outside limit of where rock material should have been dredged?—A. Should have been dredged according to my judgment, and sections from an interpretation of the borings.

Q. In the returns made to the Department before you went out, how many yards of rock had the engineer reported as having been excavated?—A. I have not got the exact figures, I think it is about 25,000.

Q. That is near enough. Was that reported as all removed, or was some portion of it simply shot, and still remaining in the bottom of the harbour?—A. No, there was a certain quantity reported as having been blasted, but not removed yet.

Q. That is beyond the 25,000 yards?—A. Beyond the 25,000 yards.

Q. Approximately what was that proportion?—A. It amounted to a little over 5,000 yards.

Q. Speaking generally, the engineer had reported that there were about 30,000 yards of solid rock material?—A. 32,175 cubic yards, which he calculated from sections was rock.

Q. I am wrong in saying 35,000?—A. 32,175.

Q. He calculated there were 32,175 yards of rock material, of which 25,000 or 26,000 yards had been removed, and the balance had been blasted but not removed?—A. Yes.

Q. Did you on that occasion make any investigations to prove whether these figures were correct or not, other than figuring them out from the plan? Perhaps my question is a little involved. Did you make any investigations, and if so what, to satisfy yourself that the line marked on this plan as the limit of the rock was correct?—A. This line is according to our own calculation; the line of the engineer showing "hard material and rock returned at rock prices" was further than this.

Q. Further out in the water?—A. Yes.

Q. What did you do in order to satisfy yourself as to the correctness of the different contentions?—A. I had the test borings made outside of the line, where that rock was, and the rock was on the incline towards the sea, so, in taking these tests, still within the line where this overlying rock material appears to be on making the test boring there I found no hard material.

Q. You used the pumps, as a testing machine?—A. As a testing machine.

Q. And were you able to put the pump down more than 35 feet before finding rock?—A. Yes.

Q. Practically how many tests did you make in that area?—A. I could not say the number of tests, Mr. Davy would have the details.

Q. Did you make enough to satisfy yourself as engineer that you covered the ground?—A. Yes, and apart from the test borings I had the dredge *Ajax* dredge it out.

Q. What kind of dredge is the *Ajax*?—A. The dredge *Ajax* is a dipper dredge.

Q. What is her capacity?—A. She has a capacity of about 600 yards per day, I suppose.

Q. What is the size of the dipper, 2 yards or 5 yards?—A. 2½ yards.

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Q. What is the length of the arm?—A. The length of the arm is over 40 feet, but they cannot dredge any deeper than 38 feet, I think.

Q. That is quite enough for this purpose. Is it a dredge well fitted up from a mechanical standpoint?—A. It is a good dredge.

Q. It has sufficient power, has it?—A. Sufficient power for her class.

Q. Of course it would not have power for a five-yard dipper when it has only a two and a half yard dipper?—A. No, sir, not for a 5 or 8 or 10-yard dipper.

Q. But it has sufficient power for a dredge of that class?—A. It is a good dredge of that class.

*By the Chairman:*

Q. A dredge with a 40-foot arm could not dredge 38 feet depth?—A. I am not sure about these details, I think the arm is about 45 feet or more.

*By Mr. Carvell:*

Q. When they say a dredge has an arm of a certain length, does it not mean the length of arm for dredging purposes?—A. No, you could not go to the extreme length of the arm. I think the dredging limit of the *Ajax* would be between 38 and 40 feet.

*By the Chairman:*

Q. It has to be 10 or 15 feet above the water, and if it goes to a depth of 38 feet the length of the arm would require to be from 50 to 60 feet?—A. I am not sure about the length of the arm. We wanted an extreme depth of water of 35 feet and we dredged to that depth.

*By Mr. Carvell:*

Q. What did you find in this "disputed area" we will call it?—A. In the area beyond this line of rock?

Q. Between your rock line and the resident engineer's rock line?—A. The boring engineer reported "sand, clay and gravel."

Q. And what did you find in actual dredging operations?—A. Just the same, sir.

Q. Was the dredge *Ajax* able to lift the material in this area?—A. Yes, we followed this area right down until we met the rock and it was stiff dredging, there was no unusual difficulty for the dredge *Ajax* to remove it wherever we dredged with her.

Q. Wherever you dredged you found you were able to remove it until you came to the point where you find rock at 35 foot depth?—A. Yes.

*By Mr. Green:*

Q. That was not in the area for which the returns had been actually made. You are not saying that the dredge *Ajax* lifted the material before it was "shot" but that it removed such material as had been shot?—A. I think I understand your question. We dredged right close to the edge of the cut, on top of the surface of the rock, that was material that had not been touched at the end of the cut and the top material that was left there; as soon as the buckets would leave the rock the dredge had no special difficulty in moving the material that was overlying the rock.

Q. What you called rock was what these people had been shooting?—A. Yes, rock, and some other hard material which they returned as rock. I want to explain that the specification does not limit the payment of rock price, I might say, to rock alone.

Q. I want you to define clearly whether in your tests you were removing anything that was classified as "rock." As I understand it you were merely removing material off the surface.—A. No, we did not remove anything that had been blasted because everything of that kind had been removed.

Mr. CARVELL: I do not think the witness and Mr. Green understand each other.

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*By Mr. Green:*

Q. What I am trying to get at is this: You have told us that the dredge *Ajax* moved everything in the area that you went over.

Mr. CARVELL: Until you come to the rock?—A. Yes.

Q. Now what I want you to tell the Committee is what you consider as coming to the rock. Coming to the rock, as I understand it, means coming to this material that was classified as rock?—A. I mean solid ledge rock.

*By Mr. Carvell:*

Q. Do you mean to say that the dredge *Ajax* in the area on which you have tried it, was able to remove everything down to the solid ledge rock?—A. Yes.

Q. Of course you could not make that test in the exact location which had been dredged?—A. No, I mentioned that fact in my report.

Q. Where did you go in order to make your test?—A. In order to get my test I asked the resident engineer to take me wherever he thought that he could find some of that material he had returned as "rock" so that I could see some of it.

Q. Now it could not be in the slip, but it could be where the pier was to be located, could it not?—A. No, this material had been removed from the place where the pier was to be located; it could be at the end and back of the bulkheads.

Q. Or back of the bulkheads?—A. So he took the dredge along the edge of the cut at the west of the slip there and he dredged for some time there.

Q. Just let me see which is the west on this plan: this is the west over here at the right hand. There would be an "edge" there. What did you find on that occasion?—A. I found the edge of the rock cut all right to about the right depth mentioned on the plan there and some other material on top which was mixed clay and gravel. It must have been pretty stiff to dredge before, but with the dredge *Ajax* we were able to remove it without any unusual strength.

Q. And that would be in what I might call the "disputed area" or alongside?—A. Alongside, yes, of course the material within that disputed area having been excavated I could not get any positive proof of the actual material that had been removed from there.

Q. Did you take the material which you found alongside it?—A. As far as I could.

Q. And from your experience of some length as an engineer do you think you would be able to find practically the same material right alongside as you would in the dredged area?—A. I should think that the same material would be continued at some spots along there.

Q. I presume there is always the possibility of a boulder being struck, a hill in the bottom, or something of that kind, is there not?—A. Oh, yes.

Q. There is always that possibility?—A. Always a possibility of boulders being struck—you mean with a dredge?

Q. With a dredge?—A. Oh, yes.

Q. Would you go so far as to say from your experience you would judge the material upon which you experimented to be practically the same as had been removed?—A. From my experience I would judge that it would be about the same. But I must say that the resident engineer—when we first dredged at the edge of the cuts here the dredge brought up some material which was a mixture of plastic clay and gravel, rather stiff material to dredge—told me that was the class of material he had returned at rock prices.

Q. And was it removed by the dredge without blasting?—A. It was removed by the dredge without blasting.

*By Mr. Green:*

Q. The resident engineer in his report classifies some of this material, in speaking of it, as conglomerate. Now, in your opinion, would the dredge *Ajax* be able to

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take that out without blasting?—A. Conglomerate is common rock.

Q. That is what I wanted to get at. The *Ajax* could not have taken out the conglomerate?—A. No, because it is a rock.

*By Mr. Carvel:*

Q. Was the material which you have just been describing as plastic clay and gravel "conglomerate"?—A. It is not conglomerate. I must say that they called it "conglomerate" out there.

Q. But you say that it is not conglomerate?—A. It is not, because conglomerate is hard rock.

Q. Was the material which Mr. McLaughlin pointed out to you as plastic clay the same material, in your judgment, as that which he classified as "conglomerate"?—A. It must have been pretty nearly the same, because he told me it was the nearest to what he had returned at rock price.

Q. And which, I presume, he called "conglomerate" or solid rock?—A. No, he did not call it solid rock, he called it "rock."

*By Mr. Davidson:*

Q. He did not return it as solid rock?—A. I could not say.

Q. I just want to understand what Mr. McLaughlin said.—A. He said that the material which was brought up by the dredge *Ajax* was the nearest to the material which he had returned at rock price.

*By Mr. Green:*

Q. With reference to that word, "nearest" are you sure that is the exact word Mr. McLaughlin used? Do you not mean that Mr. McLaughlin said that this was the material that he had returned in his classification as rock?—A. That is the term he used, that it was nearest to the material he had returned as rock.

*By Hon. Mr. Crothers:*

Q. That plastic clay and gravel that you speak of, what should it have been classified as? It is not rock, it is not conglomerate; what classification should it have been given?—A. According to my opinion it should have been returned as earth under the specification.

*By Mr. Clements:*

Q. Does the specification not provide for any other classification than earth and rock?—A. No, those are the only two classifications, earth and rock, and the specification says that any material that can be removed by the dredge should be classified as earth.

*By Hon. Mr. Crothers:*

Q. What is the difference in price between the two?—A. The rock price is \$9.10 per cubic yard and the earth 52 cents.

Q. Did you satisfy yourself as to whether that report of 30,000 cubic yards was correct or not?—A. I asked the resident engineer—

Q. Did you satisfy yourself with regard to that?—A. Yes. When the resident engineer gave me his quantities I wrote him a letter stating that there was an area here which showed by the borings that there was no rock nor hard material at all, and it showed such a large quantity that I thought it should be checked over. I wrote him a letter asking him to check over very carefully these quantities and he did, he used the same sections and it came up to the same quantities.

Q. And was the result the same material as rock?—A. As rock.

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Q. Did you make any calculation of the quantities returned as rock which should have been returned as earth?—A. Yes, I mentioned that in my report. All that is rejected that was originally returned as rock then goes into the other class.

*By the Chairman:*

Q. How much was that, do you remember?—A. The quantities are about 62,000 cubic yards. That is about the aggregate of the rock and other material. I found from the borings that there were about 13,060 cubic rocks of solid rock, leaving about 50,000 cubic yards of other material.

Q. Am I right in saying there are about 13,060 cubic yards of rock instead of this 30,000 cubic yards?

Mr. CARVELL: Instead of 32,000, I think?—A. 32,000, yes.

The CHAIRMAN: What was the quantity that the resident engineer had returned?

Mr. CARVELL: The resident engineer returned 32,000 cubic yards and Mr. St. Laurent found 13,000 cubic yards as being the proper amount.

Q. As I understand it, you found no untrue reports as to quantities generally, that is as to the total quantities excavated of all kinds of material?—A. "Untrue," you mean?

Q. That is the word I used. A. I do not catch it exactly.

*By Hon. Mr. Crothers:*

Q. It was the aggregate of 60,000 cubic yards, you told us a moment ago?—A. That is about right. The original amount with the rock would amount to 51,000 or 52,000 cubic yards, and, of course, these points that have been left increased the aggregate. There was more in the end, because I noticed when making tests there had been some deposits of sand made since the dredging had taken place.

Q. They would have to be removed. If they were removed, they would be entitled to pay for that?—A. Yes.

Q. The only fault to be found is in the classification, and not in the total quantities returned?—A. In the classification, not in the aggregate quantities.

*By Mr. Carvell:*

Q. I want you to look at this plan, which has been furnished me (handing plan to witness). Will you show me where is the shore side on that plan?—A. The shore side is here, sir (indicating), but the distance of the bulkhead—that is one of the shore cribs there (indicating)—the distance from the shore varies from 150 feet to 400 feet.

Q. And that is to be filled in?—A. That is to be filled in.

Q. But there will be no dredging there?—A. None beyond that 10-foot line back of the cribs.

Q. Then—we started with the western—how does the shore run there (indicating)?—A. That is the west slip (indicating), and that is the crib (indicating), and the shore is there (indicating).

Q. You have a number of lines running parallel to one another and also at right angles on that plan. What do they represent?—A. These represent the office plans kept from day to day of the drilling done by the contractors or subcontractors.

Q. The office plans?—A. The office plans on which they record the work done every day; and then in making their returns they show that a certain area was drilled during a certain month. This other colour (indicating)—

Q. That is the pink colour?—A. —shows that this area was covered by the drill boat during another month.

Q. By the drill boat?—A. The red colouring shows work done in August.

Q. And what does the brown colouring show?—A. The area covered by the drill boat in September.

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Q. Let us take the month of August. Can you from that plan tell where the drilling machine was on each day in the month of August?—A. I would rather leave that to the engineer who was there. I could tell you, but it requires a good deal of work.

Q. Don't you think with some assistance you could locate it?—A. I think Mr. Davy would be—I can probably locate some.

Q. The reports are here, because I have had an opportunity of examining them. There are here the reports of the contractor and of the resident engineer showing the location of the drilling plant, not only every day, but every shift of every day. That is true, is it not?—A. That is true.

Q. And do these reports not show the exact location of the plant every day?—A. Yes.

Q. And the number of feet of drilling which was accomplished during each shift?—A. Yes, every drill hole.

Q. With those returns, that is with the return of the contractor and of the resident engineer, would you not be able to take that plan and tell us where the drill was every day, and how much they drilled?—A. Yes.

Q. And where they found rock, and how much they drilled each day?—A. Yes.

Q. That would be easy enough. Is Mr. Davy here?—A. No, he was permitted to go away. I would rather that Mr. Davy would explain that. I can indicate—

MR. CARVELL: That is as far as I would care to go with this witness, if he would rather not give that evidence.

THE WITNESS: I am quite ready to say, for instance, that this area here was dredged on certain dates.

*By Mr. Carvell:*

Q. Could you not take the returns that have been submitted—I think they are here—and show us how much was accomplished on these days?—A. Yes. I can pick out in a very short time this or that hole.

Q. I thought so. Will you show where the drilling plant was on the 30th day of August?—A. (Examining documents) I have no note of the 30th of August.

MR. CARVELL: There are two reports here among the papers. The resident engineer and the contractor made daily reports.

HON. MR. CROTHERS: Do they agree?

MR. CARVELL: Practically they do.

*By Hon. Mr. Crothers:*

Q. I would like to ask a question. Would it be well understood by any competent engineer that material described by you as plastic clay and gravel ought not be returned as rock or conglomerate—would that be well understood in the profession?—A. Certainly, sir.

Q. There is no excuse for reporting it otherwise?

THE CHAIRMAN: That is set out in the contract or specification.

*By Hon. Mr. Crothers:*

Q. Would a contractor of experience also know that that was a wrong return?—A. He would know, if it could be removed by the dredge.

Q. I want to show if a man might honestly make a mistake?—A. The resident engineer himself told me that he knew that material could be removed by some dredges, but they did not have—

Q. Is that the man that made that report?—A. Yes, the resident engineer who reported these quantities.

Q. He knew it could be removed—A. By dredges we had in the East. But

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on the British Columbia coast they do not have as strong dredges as we have on the Atlantic, so he made a local interpretation of the specification. He applied local conditions to the interpretation of the specification.

Q. Applying these local conditions was he warranted in making that return?—A. He was not under the specification, but he thought he was, honestly.

Q. Owing to the conditions there?—A. Owing to the conditions there, thinking there was no dredge strong enough on the British Columbia coast to remove that material and he stretched the specification because there was no dredge on the British Columbia coast, apart from the Government dredges, capable of doing the work.

Q. And that any material which the dredge could not remove should be considered as rock?—A. Should be considered as rock under that specification.

*By Mr. Carvell:*

Q. I think I made a mistake in the date I gave you. I wanted July not August. Take July 29 now, I have just found it here. With reference to the class of dredge. I would like to ask you if the clam-shell is a suitable dredge for this work?—A. The clam-shell is not suitable for this kind of work.

Q. And when you say that any material which can be removed by a dredge can not be classified as solid rock, did you specify what size or power of dredge you mean? Does it mean the most powerful dredge in the land or an ordinary dredge used in the business?—A. There is nothing definite in the specification, "by a dredge."

Q. Supposing there never has been a dredge used in that locality which could remove that material, would a man have the right to say that was material which could not be removed by a dredge and therefore should be classified as solid rock?—A. Well, I can tell you my own opinion about that. If this was a case where the material was such that it was on that indefinite line of demarcation where an engineer is not sure whether he should throw the material in the "rock" or in the "earth" classification, if it might be removed by the dredge, or if it were removed at the cost of that dredge having to bring heavier power into it, I think I would consider that material as earth, at a compromise price, though there is nothing in the specification. That is the way I would deal with it.

Q. Do you ever do that? Do you ever take into consideration that while it might be specifically within the classification of earth yet it was so hard and difficult to remove that you would make a price between the price of earth and rock?—A. I think so, I think there have been some examples of that.

Q. There is a tremendous jump from 52 cents to \$9.10, it seems to me that there should be some middle line?—A. But I have not been able to find that this was a case where the material was so hard and difficult that it was on that indefinite line.

Hon. Mr. CROTHERS: You think it should have been classed as "earth."

*By Mr. Carvell:*

Q. It did not reach the point where what is called "sympathetic" classification should be applied?—A. It is a pretty hard strain on an engineer sometimes to say what it should be.

Q. I understood you just now to pass judgment on the performance of the clam-shell dredge, but I do not think the reporter got it.—A. They had clam-shell dredges first, the first dredging done was with a clam-shell.

Q. Surely there had been a dipper dredge on the Pacific coast before that?—A. Oh, yes.

Q. Has not the Dominion Government been running a plant of dipper dredges there for some time?—A. The Government has.

Q. What were the names of the Dominion Government dredges on the Pacific coast?—A. There is the *Ajax* which is a very good dipper dredge.

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Q. That is the one you have already described?—A. Yes, then there is the *Mudlark*, which is not so good; the *Mudlark* could not go through stiff material. Then there is the *Fruhling*, I think it is on the system of what we call a suction and raking dredge; the material is raked and then sucked.

Q. You have a machine which stirs it up?—A. And the *King Edward*, I think, is a suction dredge with revolving knives.

Q. That is an elevator dredge?—A. No, that is a suction dredge.

*By Mr. Green:*

Q. Did they have the *John E. Lee* there?—A. They had, I understand, for a few days.

Q. And it was found she could not remove the material?—A. The *John E. Lee* is a clam-shell.

Q. Was there not a dipper dredge there?—A. Yes, the Pacific Coast Dredging Company's dredge was there, that was a dipper dredge, a fairly good dipper, but not as strong as we have them in the East.

Q. And they found they could not remove the material with that dredge?—A. That is what they say, I was not there.

*By Hon. Mr. Crothers:*

Q. Is this in the contract "all materials overlying the rock that can be removed with a dredge shall be considered as earth"? Now are there some such materials that could be removed by some dredges and not by other dredges?—A. Oh, yes.

Q. That is so?—A. That is so.

Q. That is a very lax specification. A contractor could bring a dredge that has not much power and could then say, "the material cannot be removed by my dredge and therefore I should be paid for it as rock at \$9.10, instead of 52 cents"?—A. That is a matter for the chief engineer, that is something I haven't anything to do with.

*By Mr. Carvell:*

Q. Is not that what actually did occur? Is it not a fact that they brought on a clam-shell dredge and then said it could not be removed by the dredge?—A. They started with a clam-shell dredge.

Q. And then they said, "We cannot remove this material with a dredge."—A. They removed some soft material. That is a "Grab" dredge, it simply drops and they grab the material; it is all right for certain material.

*By Mr. Green:*

Q. And they have failed also with the dipper dredge?—A. They failed also with that dipper dredge.

*By Hon. Mr. Crothers:*

Q. These two classifications do not seem to be sufficient to cover the different varieties of material that require to be removed?—A. The experience has been that if we try to make a classification with more items we get into deeper difficulty with regard to the specification.

*By Mr. Carvell:*

Q. I think you have found a precedent in this investigation?—A. I suggest in my report that the specification which we use should allow two classes of material only; that it should specify that rock price is allowed only for solid ledge rock that has to be drilled, and the other price for earth which covers all other materials, hard pan, clay, or whatever it may be. With a specification of that kind there would not be so much difficulty.

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Q. But you do not say that in this specification?—A. No, not in that contract, but in my report I make the suggestion. It does not leave so much to the judgment of the engineer; it is a drastic specification, for which the contractor has to provide. If he thinks he will meet with hard pan or hard clay he will make his price accordingly.

Q. To get back to the conclusion of this matter, could not this material have been removed with a dredge of the type of the *Ajax*?—A. You mean the material other than rock?

Q. Yes?—A. Yes, that is my opinion; I stand by my report.

*By Mr. Green:*

Q. "Other than rock!" When you say "other than rock" you include conglomerate as rock?—A. Conglomerate is a rock.

*By the Chairman:*

Q. You further say that out there they classify plastic clay and gravel as conglomerate?—A. These men in talking of conglomerate, all the inspectors there, were talking of that clay and gravel; they called it conglomerate, and I called their attention to the fact that it was plastic clay and gravel, but they said that they called it conglomerate.

Q. And if they called plastic clay and gravel conglomerate they returned plastic clay and gravel as rock?—A. Yes.

*By Mr. Blain:*

Q. Could conglomerate be removed by a dredge of any capacity?—A. No, because it is rock. Conglomerate could not be removed by the dredge.

*By Hon. Mr. Crothers:*

Q. What you call "conglomerate" I understand you to say, could not be removed by a dredge?—A. Could not be removed by a dredge.

Q. But this plastic clay and gravel could be so removed?—A. Yes.

Q. Is not "conglomerate" a term well understood by engineers—what it means?—A. Conglomerate means cemented material.

Q. I know, but is it not a term which any engineer ought to know whether the material comes within the meaning of "conglomerate" or not?—A. Oh, yes.

*By the Chairman:*

Q. For instance, under the term "conglomerate" in connection with the National Transcontinental railway we had clay and gravel mixed with boulders?—A. Conglomerate is gravel, cemented gravel.

Q. Which cannot be removed by a pick and shovel and which had to be blasted?—A. Yes, it is cemented.

Mr. CARVELL: The specification in the interpretation went a little further than that, it said, "material which can best be removed by blasting." That is a different interpretation than what we have here.

Mr. KYTE: Or material which could be removed by a plough drawn by four horses, properly handled?—A. Yes, that is different.

*By Mr. McKenzie:*

Q. Before you leave that "conglomerate" question, following up the minister's question, did I understand you to say they classified some material here as conglomerate which in your judgment was not conglomerate?—A. Yes, hard material, it was not conglomerate it was a mixture of gravel and clay.

Q. They called it conglomerate, but scientifically speaking, from your standpoint, it was not conglomerate?—A. No, it was not.

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*By the Chairman:*

Q. He says that conglomerate is rock?—A. Conglomerate is rock.

*By Mr. Green:*

Q. When you were out West and made your examination did you find any evidence of collusion between the district engineers and the contractors?—A. No, sir, from all the conversation I had with the engineer I thought he was most honest and upright; he admitted that that material could be removed by some class of dredge which they did not have out there, apart from the Government dredges, he admitted that freely.

Q. Did you ask Mr. McLaughlin whether he had reported the condition as he found it to the department here before he returned that material as rock?—A. There is a letter in my report dated the 20th of August, I think, written to the Chief Engineer, in which he called attention to the fact that he was finding some material which the dredge out there could not remove. And he had decided to throw this material in the rock classification, and he said he hoped that his decision would be approved. That is the substance of his letter.

*By Mr. McKenzie:*

Q. About this dredging, probably this question was asked before I came in, but can you tell the Committee if they had a "face" on this dredging, if they were running their dredge up against the "face" or were they just trying to grab it out?—A. At the beginning they had a clam-shell dredge and they were grabbing the material they took out, they dropped the bucket very quickly and grabbed the material; they had that dredge for a month, and then they had another one, a more powerful dredge, they had the *John E. Lee*.

Mr. CARVELL: Another clam-shell?

A. And then they had another dredge there, they brought a dredge from the Pacific Coast Dredging Company.

*By Mr. Carvell:*

Q. Did it do the work in the end?—A. It removed the material.

Q. After they had "shot" it?—A. They followed the blasting.

*By Mr. Kyte:*

Q. Were the other dredges, the *John E. Lee* and the Pacific Dredging Company's dredge as powerful as the *Ajax*?—A. The *John E. Lee* would be very powerful, but would not be suitable for the class of digging.

Q. Well, what about the dipper dredge?—A. As to the dipper dredge, I could not say. You know the captain of the *Ajax* claims that he has the best dredge on the coast, and the other captain said he had a pretty good dredge.

Q. In your judgment is the *Ajax* an unusually powerful dredge of that type?—A. Not as powerful as a good many dredges we have on the lakes and on the St. Lawrence.

*By Hon. Mr. Crothers:*

Q. You do not know, as I understand you, the dredges that were actually used on this work?—A. No, I do not know them personally.

Q. Do you know whether they could remove that material or not, the dredges that were actually used?—A. They could not, the clam-shell dredges are not suitable for that work.

Q. They could not take out this plastic clay and gravel?—A. No, they could not.

*By the Chairman:*

Q. And the Pacific Coast Dredging Company's dredge did that?—A. The dipper removed the stuff that was blasted.

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Q. But before it was blasted could they have removed it?—A. I do not know, I was not there when the work was going on.

Q. If they blasted it would not that fact be some evidence that it could not be removed without blasting unless they were putting up a job?—A. I do not want to leave a wrong impression, I believe that Mr. McLaughlin was sincere.

Witness retired.

Committee adjourned.

## HOUSE OF COMMONS,

ROOM No. 301.

WEDNESDAY, March 22, 1916.

The Select Standing Committee on Public Accounts met at 11 o'clock, a.m., the Chairman, Mr. Middlebro, presiding.

The Committee proceeded to the further consideration of certain payments to Grant, Smith & Company, and MacDonnell, Limited, in connection with dredging at Victoria, B.C., harbour wharves, as set out at page 431 to 437 V, Auditor General's Report for the fiscal year ended March 31, 1915.

Mr. H. B. DAVY, called, sworn and examined.

*By Mr. Carvell:*

Q. You are an engineer of the Public Works Department, are you?—A. Yes, sir.

Q. Are you the gentleman who made the original borings for the Victoria Harbour Works?—A. Yes.

Hon. Mr. REID: And made the plans.

*By Mr. Carvell:*

Q. Did you make the plan from your own notes?—A. Yes, I used the plans I had. A survey had been made before.

Q. Would this be the plan or a copy of it? (Exhibiting plan)—A. No, that is just the detailed plan of the locality in which the drilling was done.

Q. Then, will you produce the plan, please, of the harbour works?—A. I think you have it in your possession.

Q. "Contract, plans and specifications." I think this is the one we want. (Producing plan.)—A. Yes, sir, that is it.

*By Hon. Mr. Reid:*

Q. The plan upon which the contract was let?—A. Yes, sir.

*By Mr. Carvell:*

Q. The location plans?—A. Yes, sir.

*By Hon. Mr. Reid:*

Q. On which the contract was let?—A. Yes, originally these plans were taken for another scheme laid down by Mr. Coste. This is the scheme here. (Indicating on plan.) The original scheme is enclosed within this yellow line. Then it was changed to what appears within the red line.

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Q. This is the plan which was attached to the contract?—A. Yes, sir, that was the plan which was attached to the contract.

*By Mr. Barnard:*

Q. Were the borings taken in connection with the original scheme?—A. They were taken for it originally. Then after they were taken, an enormous quantity of rock was shown so they changed the plan and put the location of the piers a little farther out, as they are, to get away from this enormous quantity of rock.

Mr. CARVELL: The first idea was to adopt the scheme enclosed in yellow lines.

Hon. Mr. REID: On the plan shown as 218.

Mr. CARVELL: Then the witness says that plan was going to involve an immense amount of dredging.

The WITNESS: Yes, of rock dredging.

Mr. CARVELL: They therefore changed the plans and shoved the works farther out into the harbour.

Hon. Mr. REID: So that there would be deeper water and less rock dredging.

*By Mr. Carvell:*

Q. That was the intention, was it?—A. Yes, that was the intention.

Hon. Mr. REID: Now get on to the other plan, No. 232.

Mr. CARVELL: Are you referring to plan No. 232?

Hon. Mr. REID: Yes.

*By Mr. Carvell:*

Q. Did I understand you to say that the same borings are on this plan as on the former plan, but you have changed the location of the piers?—A. Changed the location of the piers, yes.

Q. Which shows less rock dredging to be performed in carrying out the work than there would have been if you had carried out the original intention?—A. Yes.

Q. I think that is practically all explained by Mr. St. Laurent. What do the rings on this plan indicate?—A. That is the location of each boring.

Q. That means the depth of what—the depth of water down to earth, or the rock, or the depth in the rock?—A. The depth reached in each. In case it is rock it is marked "R".

Q. There are two figures at each location, are there?—A. No, there is one circle showing the number of the boring, which corresponds with the detail in the book. Then there is the depth reached in each boring, and in cases where it is rock "R" is marked to show it has reached rock.

Q. Suppose you went through 10 feet of earth and then through 8 feet of rock, how would it be marked on that plan?—A. In each case we went to the rock, and did not bore in the rock.

Q. Your idea was only to find rock?—A. Yes; and the details in the book show the materials penetrated to that depth.

Q. You would not bore through the rock, you were just finding rock?—A. Yes.

*By the Chairman:*

Q. And if you found rock you marked "R"?—A. Yes.

*By Mr. Carvell:*

Q. Is there anything to indicate the nature of the material to be removed?—A. That is shown in the detail, too.

Q. You would have two sets of figures, one showing water and the other the material before you come to the rock?—A. Yes.

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Q. And with this information in their hands, intending contractors were able to make their tenders?—A. Yes, sir.

Q. Do you know as a fact that the contractors had this information in their hands when they made their tenders?—A. I could not say as to that.

Q. Was it available?—A. I believe it was.

Hon. Mr. REID: What I understand you to ask is, did the contractors have a copy of this plan so that they could figure out the quantities for themselves?

Mr. CARVELL: I mean the information contained in these plans, was it available to the contractors?

Hon. Mr. REID: That is what I wanted to know.

Mr. CARVELL: I want to get that on the record.

*By Mr. Carvell:*

Q. Did you go back to Victoria later on, in the late autumn of 1915?—A. I went there in December.

Q. 1915?—A. Yes.

Q. What time in December did you get there?—A. On the 31st day of December.

Q. By whose instructions did you go there?—A. The instructions of the chief engineer.

Q. The chief engineer of the Department?—A. Yes.

Q. And what did you see when you got there?—A. I took some more test borings over the area that work had been carried on, and in the vicinity.

Q. And how did you find these test borings compared with your previous borings?—A. They showed the same materials.

Q. The same depth of water, and the same depth of material?—A. Yes, sir. Of course, there were materials removed, which would not show the same depth of water or same material.

Q. Wherever it had been dredged, you could not test it down the same way. Would you explain to the Committee, as briefly as you can, what is the process in making your test borings, and also in the actual drilling and shooting of this submarine work.—A. For that purpose, you just use what they call an ordinary wash boring outfit, a 2-inch pipe, that is 2 inches inside diameter, and which is driven into the ground. And then there is a  $\frac{3}{4}$ -inch pipe down inside of that. On the end of that there is a bit screwed on to the end, a chisel bit, with two holes to allow the water to pass through. At the other end there is a hose attached, a little hose piece attached to the pump through which water is pumped up from wherever you get water (in this case from the sea) and pumped down this  $\frac{3}{4}$ -inch pipe into the other pipe.

Q. The water in the  $\frac{3}{4}$ -inch pipe stirs up the material.—A. And carries it up.

Q. And the other pipe acts as a sort of caisson, until finally you come to the hard substance.—A. In some cases, it was not necessary to use the outside caisson all the time, just go along with the ordinary  $\frac{3}{4}$ -inch pipe, and use it as a jet, if the material was soft enough.

Q. Did you always take the first point at which you stopped and call that rock, or did you take any means to prove whether it might be a boulder?—A. In order to determine whether it was a boulder or not, we would take three or four borings in that vicinity. In cases where it was a boulder you would get down around the outside of it.

Q. It would not take very long to get the location of the rock?—A. No, sir.

Q. That is one method. When it comes to actual boring by the contractor, are you able to state how that works out? Does he bore in certain places where he is told to, or does he go at it haphazard?—A. It is laid off in ranges, and cross-ranges.

Q. Is that the idea of that plan (producing plan)?—A. That is the idea.

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Q. What do you call this plan?—A. This is the plan that was used to locate the top on the material that they start to bore at.

Q. Yes. That is ample for my purpose. Any other hon. gentleman can pursue the matter further. I only want to know that during the progress of the work there are certain definite lines laid down on which the contractor must act, both longitudinal, and I suppose horizontal?—A. By flags here (indicating) and flags here (indicating).

Q. And certain guide lines or bench-marks on the shore?—A. Yes, from which this was taken.

*By the Hon. Mr. Reid:*

Q. As laid off by the engineers in charge of the work?—A. Yes.

*By Mr. Carvell:*

Q. So that the contractor then is not allowed to go around and bore holes anywhere he has a mind to, but he simply follows instructions?—A. Yes, sir.

Q. In the investigation which you made in the month of January last—

HON. MR. REID: A year ago.

THE WITNESS: I was back again this January.

MR. CARVELL: January last.

*By Mr. Carvell:*

Q. While you were not able to prove your previous data in these places, where the excavation had actually taken place, what did you do in order to satisfy yourself whether you were right or wrong in your first investigation?—A. I took the borings in the immediate vicinity of the work, that is outside the edge here (indicating). Where any dredging had been done I took here (indicating), and also outside the toe of the rock slope as shown by the original borings in 1912-13 to see if the rock did extend any farther than shown by the original borings.

Q. And what did you find?—A. I found there was no rock out any farther than the original line.

Q. Now, we had a plan here the other day on which contours were marked (producing).

Q. All this plan has been explained by Mr. St. Laurent, and I do not want to take up the time of the Committee by going over it again. Generally he states that these contours represent the depth of water?—A. Those are the sounding contours.

Q. And if you take this contour marked "40 feet," running along here (indicating on plan) what would be the depth of water?—A. Forty feet of water.

Q. Then you come to the next which is marked "30 feet" and that would be thirty feet of water?—A. Yes.

Q. And there is a 36-foot line marked out there at different places, what does that represent?—A. That represents that there would be no excavation outside of that; the depth was to be excavated to 36 feet, and one foot sub-grade.

Q. Can you point on this plan to where the 36-foot line would come, practically?—A. That is for ordinary material?

Q. Yes?—A. About there (indicating on plan).

Q. Is there anything to indicate what that grade is?—A. No, they drill down to 36 feet.

Q. That is opposite the figure "412" on the margin, there seems to be a red line.

HON. MR. REID: Drawn from 323 to 359.

*By Mr. Carvell:*

Q. Yes, what does that indicate?—A. That indicates the toe of the rock.

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Q. That is according to your investigation and borings everything beyond that red line which requires to be excavated would be earth?—A. Yes.

Q. And no rock?—A. No rock.

Q. And between that red line and the shore it would be partly earth and partly rock?—A. Between this line and the shore it would be the two materials.

Q. As the borings would show. Now did any excavation take place between the red line and the "412" line, that is the point where you found 36 feet of water?

HON. MR. REID: Excavation by the contractors.

*By Mr. Carvell:*

Q. Was there any excavation made by the contractors between the red line and the "412" line where you say you found 36 feet of water?—A. Yes, that was all excavated.

Q. You say that agreed with the original borings and that the material was earth?—A. That was earth and sand.

*By Hon. Mr. Reid:*

Q. As shown on plan 232, that is the one the contractors had?—A. Yes.

*By Mr. Carvell:*

Q. I think that is the word used in the specification, is it not, "earth and rock."—A. Yes, earth and rock.

Q. I want to use the exact words of the specification now. In the report made by the engineer in charge of the work—

*By Hon. Mr. Reid:*

Q. What was the name of the engineer in charge?—A. Mr. MacLachlan.

Q. From the commencement?—A. From the commencement.

*By Mr. Carvell:*

Q. And who was immediately over Mr. MacLachlan?—A. The Chief Engineer.

Q. Was there not a Mr. Nelson?—A. No.

Q. What position does Mr. Nelson occupy?—A. He does not come into that department at all, he is not in that branch.

*By Hon. Mr. Reid:*

Q. Had he anything to do with that work at all?—A. No.

Q. Or was he in charge of it?—A. No.

MR. BARNARD: Mr. Nelson was superintendent of dredging there, but he had nothing to do with this contract.

MR. CARVELL: I want to be sure about that, because our information is that he had a great deal to do with it.

*By Mr. Carvell:*

Q. Anyway your evidence is that Mr. Nelson had nothing to do with Mr. MacLachlan, who reported directly to the department?—A. Yes.

Q. As a matter of fact what position did Mr. Nelson hold at Victoria?—A. He was Superintendent of Dredging.

Q. And, as such, would he have any charge over this work?—A. No, none at all.

Q. Was he Superintendent of Dredging works in British Columbia or of the Government dredging in British Columbia only?—A. Of the Government dredging work.

Q. And so, if the Government were doing any dredging themselves, with their own dredges, he had superintendence of that work but not of contract work?—A. Yes.

Q. That explains it; I had understood up to this time that he really had something to do with all the contract work?—A. No.

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Q. Now, has the department a record of the amount of borings done by the contractors on each day? Can you tell from your records where the boring apparatus would be located on each day?—A. Yes, that could be done.

Q. That could be easily done?—A. Yes.

Q. Have you, or has any other officer of the Department, gone over these plans in order to obtain that information?—A. Yes, I looked into it, that is into Mr. MacLachlan's report and the contractor's as well.

Q. Yes, you put the two together. We had the originals here, I presume they are around here somewhere now, showing the daily report of the contractor, and the daily report of the inspector who would be under Mr. MacLachlan?—A. Yes.

Q. Now, have you this information codified. It would save a lot of time if you would give the result of your investigation in a condensed form. Mr. St. Laurent produced a document just before we adjourned last Friday and I thought that an officer of the Department could get it in much more condensed form than if I went over it myself.—A. What was it you wanted?

Q. You have a statement showing the number of feet of rock that have been drilled by the drilling outfit on every shift of every day?—A. Yes.

Q. As I understand it the drilling outfit consisted of a scow with five drills on it covering a space of 75 feet around it?—A. Yes, something about that.

Q. And these five drills would sink to their lines, and then they would be moved along that same line or to the next range and the report would show that a certain number of holes were drilled, and it was then "shot" I think you call it?—A. Yes.

Q. I would just like to ask do you shoot those holes while the drills are over them?—A. I do not understand how they did it, because I was not there when they were drilling; when I got there they were all finished.

Q. I was asking you just as a matter of general information.—A. They move the drills back after they are loaded, before shooting, in fact, in some cases I think they wait till the noon hour and shoot them all at once; but I don't know how they did it out in Victoria.

Q. They get the charge connected up and fired by batteries?—A. Yes, sir.

Q. Have you got that statement here?—A. What part was it you wanted?

Q. I want you to tell me now the day they were working in this space between the red line and the 412 line we have been talking about, which you say was drilled and dredged, but according to your judgment contained only earth?—A. That was round August 10, 11, 12 and 13, and September 1 and 2.

Q. Those are the days. Was there not some work done on that outside area about the 1st or 2nd of July?—A. In this area here? (Indicating.)

Q. Yes, outside the red line.—A. I could find out, but I don't remember.

Q. If you have got the information please codify it. We will take August 10. Before we go into that, what is considered a good average work for a drilling plant, such as the contractors had, in rock?—A. Well, it all varies according to the kind of rock.

Q. That is true, but I am asking you now for the average work?—A. It goes as high as 11 or 12 feet, I believe.

Q. That would be an hour?—A. An hour. But in some very soft sandstone it should go quicker than that; but all other rocks I think 11 feet.

*By Mr. Barnard:*

Q. Doing what?—A. They would go 10 or 11 feet per hour drilling.

*By Mr. Carvell:*

Q. What kind of rock was it in the bottom of the Victoria harbour?—A. It was a gneiss, a stratified granite.

Q. Would it be easy or hard rock to drill?—A. A hard rock.

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Q. Would you consider 11 feet an hour the maximum amount that could be drilled, practically, in an hour?—A. Yes. I don't think they could go 11 feet in that rock.

Q. What would you consider would be a reasonable maximum?—A. Well, I don't know, because their records cover the two materials, and I could not judge from it what exact speed they did make in it.

Q. I am speaking from your experience as an engineer generally. Would seven or eight feet an hour be a good performance?—A. Yes, seven or eight feet would be.

Q. Such as you could reasonably expect?—A. Yes.

*By the Chairman:*

Q. It would depend upon the efficiency and the kind of dredge and drilling apparatus used?—A. Yes, but they all use the same.

Q. The same make?—A. The same make of drill.

Q. What kind of drill do they use?—A. They use a three-inch drill with a cross bit. A diamond drill, it is sometimes called.

*By Mr. Carvell:*

Q. Is that the kind of outfit that is used in this work?—A. I believe so.

Q. Then according to that, what would be under the most favourable circumstances, in your judgment, the possibilities of a drill per day in this particular kind of work?—A. In which?

Q. In the rock such as was actually found in the bottom of Victoria harbour?—A. It depends on how many hours you work.

Q. I am asking now for the maximum per day.—A. About 120 feet.

Q. That would be the maximum? Now, how many hours would you consider that to represent?—A. That would be two shifts of eight or nine hours.

Q. 120 feet for both or 60 feet for one shift?—A. 60 feet for one shift.

Q. That would be assuming there was no lost time?—A. Yes.

Q. And no accidents?—A. And no accidents.

Q. Is that allowing time to move from one range or one location to another?—A. That is deducting the time for moving.

Q. That is after deducting time?—A. Yes.

Q. You still think the maximum for that kind of work would be 60 feet per shift?—A. Yes.

*By Mr. Greene:*

Q. Are you speaking now of the solid rock or of conglomerate and rock?—A. That rock out there (indicating on plan) the solid rock.

Q. You are not then including in your estimate the conglomerate, that in your opinion and in the opinion of Mr. St. Laurent, constituted rock and should be paid for as such?—A. Well, that would be about the same too. This conglomerate is a rock.

Q. In your opinion it would be as hard to drill as the solid rock?—A. Just about, yes.

*By Mr. Carvell:*

Q. If there are five drills that would be about 300 feet for the whole scow in the shift, would it not?—A. In the shift.

Q. That would be working under the most favourable conditions with no lost time? What is your experience as to the possibility of carrying on the work without lost time?—A. Well, I don't know, but I believe the lost time varies from about 30 per cent to 50 or 60 per cent.

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Q. Now, starting on the 10th of August, what do you find they did there? (Handing to witness a statement.) Take the morning shift?—A. 314 feet.

Q. For how many drills?—A. For five drills.

*By Hon. Mr. Reid:*

Q. What section were they on?—A. It is out here somewhere. (Indicating on plan.)

*By Mr. Carvell:*

Q. They were beyond the red line?—A. They were beyond the red line.

*By the Chairman:*

Q. And what do you say that is for?—A. That is for that shift. They worked two shifts. For a nine hour shift that is. They changed. Sometimes they would work eight and sometimes nine hour shifts.

Q. Then that is an eight or nine hour shift?—A. Yes, sir.

The CHAIRMAN: They could not do that in the forenoon.

Mr. CARVELL: They call it the morning and afternoon shifts, you will find that in the records.

The CHAIRMAN: So long as we understand that they took out 314 feet in eight or nine hours. That is about what they should do.

Q. Let us see what they did the next time in the afternoon.

*By the Chairman:*

Q. For the next shift, put it that way?—A. That last was the afternoon shift.

*By Mr. Carvell:*

Q. Go on with the next morning.

*By the Chairman:*

Q. That is August 11.—A. 781 feet.

*By Mr. Carvell:*

Q. They got 781 feet in the morning shift during how many hours?—A. A six-hour shift.

Q. In six hours they got 781 feet. Take the next shift, that would be afternoon shift of August 11?—A. I have not got the afternoon of the 11th here.

Q. Just go on and give it as you have it there.

*By the Chairman:*

Q. Why have you not got the afternoon shift of that date?—A. In the afternoon shift they were working in here (indicating).

*By Mr. Carvell:*

Q. Inside the red line. Go on to the next time they were working outside the red line.—A. The morning shift of August 12.

Q. How many hours?—A. Eight hours.

Q. How many feet?—A. 1,165 feet.

Q. That would be 220 or 225 feet per drill. (After calculating) 223 feet per drill and an eight hour shift. The result is practically 30 feet an hour per drill, assuming there was no lost time. Do you know, as a matter of fact, whether there was any lost time?—A. There has to be a certain amount of lost time moving from one hole to another.

Q. Then it would bring it up more than 30 feet per hour of actual drilling time?—A. Yes.

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Q. If necessary, could you by the documents show exactly the amount of lost time there was in that shift? I am not going to take the trouble to do that, but could you not show by the records exactly what lost time there was?

Hon. Mr. REID: Would the engineer have it on his records?

Mr. CARVELL: That is what I meant.

Hon. Mr. CROTHERS: What would be a reasonable time per drill in rock?

Mr. CARVELL: The witness has said seven or eight feet per hour per drill as being a reasonable amount of work.

The WITNESS: Each drill varied in the amount of time it worked.

*By Mr. Carvell:*

Q. Would you say, Mr. Davy, that a drilling plant such as you have described could drill 30 feet per hour in the rock in the bottom of the Victoria harbour?—A. No, it could not be done in that rock, 30 feet per hour.

Q. Take the next shift?—A. That is on the afternoon of the same date, August 12, 1,706 feet.

Q. 1,706 feet?—A. For the five drills.

Q. And how many hours?—A. 9 hours and 35 minutes.

Q. Did you figure out how much that would be per hour (calculates)?

The CHAIRMAN: About 35 feet an hour.

Mr. CARVELL: It must be more than that.

The WITNESS: This is a longer shift, it is 9½ hours.

The CHAIRMAN: The other was 8 hours.

Mr. CARVELL: It figures out about 35 feet.

*By the Chairman:*

Q. Could you make that much footage in earth, 35 feet per hour?—A. Oh, yes.

*By Mr. Carvell:*

Q. Could they make that much in the earth material found on top of the rock in Victoria harbour, per hour?—A. They did it. Is that what you mean?

Q. The records show they did. But I am asking you, as a matter of fact, could it be done?—A. 35 feet an hour in the material overlying the rock?

Q. Yes?—A. Yes.

Q. Boring. The records show that they did bore it. Will you go on now to the next shift. Is that the last of the 12th of August?—A. That is the last of the 12th, yes.

Q. Take the 1st day of September.—A. The 1st day of September, 653 feet.

Q. In one shift?—A. In one shift.

Q. Take the next shift.—A. The afternoon shift was 1,353 feet, in 9 hours and 30 minutes.

Q. What is it the next day?—A. 1,653 feet.

Q. In how long?—A. 8 hour shift.

Q. That would be another 35 feet per hour, would it not?

The CHAIRMAN: Not quite. (Calculating) Yes, that is right.

Mr. CARVELL: Just about.

*By Mr. Carvell:*

Q. These four or five days—I think it is four days—that you have given of enormous quantities of drilling having been done were all on that portion of the work outside the red line?—A. Outside the red line.

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Q. And these four or five days practically cover all the work done outside the red line?—A. I do not think they went back over that again, in fact I am pretty sure they did not.

Q. Does that convince you, Mr. Davy, that the material under the water down to 36 feet depth was rock or was earth?—A. Outside that red line was earth.

Q. Was earth, yes. Now, what proportion of the material removed as the result of this drilling that you have calculated in these plans, was returned as rock?

Hon. Mr. CROTHERS: Was this drilling outside the red line?

Mr. CARVELL: Yes, I am asking him what proportion of the material removed outside that red line was returned as rock; he says it was all earth.

*By Hon. Mr. Reid:*

Q. What proportion was returned by the engineer in charge of the work as rock?

A. I believe all but two feet of it is returned as hard material or rock.

Q. That was returned by Mr. MacLachlan the engineer in charge of the work?—

A. Yes.

*By Mr. Carvell:*

Q. Can you tell me approximately how many cubic yards that would amount to?

—A. No, I cannot, I do not remember what the amount was.

Hon. Mr. REID: He can figure it out.

Mr. CARVELL: I am not going to take up the time of the Committee with that now, I thought possibly he might have the data of it.

*By Mr. Carvell:*

Q. Can you tell how much was the amount of the progress estimate for the month of August, the total amount?—A. No, I do not remember.

Q. It ought to be among the papers somewhere.—A. I think you have it among your papers.

*By Hon. Mr. Reid:*

Q. Was Mr. MacLachlan assisting you at the time you made the original profile for this work?—A. No, sir, he was not.

Q. You were in charge of it yourself?—A. Yes.

Q. I would like also to ask you—I have never seen this plan before, but you told me that this mark you have made on here now (indicating plan) shows about where the red line would be, this is the plan "232" which was submitted to the public when you were asking for tenders, and you have marked about where that line would be?—A. That is where the 36-foot rock contour runs out.

Q. Now you say that in your investigation in January you found no rock outside of that line?—A. Outside of that line.

Q. And you were in charge of this work when you made this original plan?—A. No, sir, the plan was made before I got there, but I used it.

Q. You went over the work, and you were instructed by the engineer to find out what the bottom was?—A. Yes.

Q. And you found no rock in January last?—A. I found rock, but not in the same place, as I said before.

Q. What I was getting at is this; I would like to ask you this question again. Do I understand you to say that in your investigation in January you found no rock outside this line?—A. No rock outside the red line.

Q. Now coming here (indicating on plan) you found it on the inside?—A. Yes.

Q. Now take here, No. 4—A. No work was done down there.

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Q. Very well, we will take where you stop here (indicating). Now on your investigation in January you say you found no rock outside that red line, that all that had been excavated there was earth?—A. There was no rock outside that.

Q. Now on this plan that was submitted to the public to tender on, what did you find at this point (indicating)?—A. 7½ feet.

Q. And this next one?—A. 15 feet.

Q. And the next one?—A. 17 and 15.

Q. Rock?—A. No, that is the elevation below the water at which we found rock.

Q. What does it mean?—A. That means the elevation at which you find rock. Where that is marked "15" it means that there is 22 feet of excavation at that point.

Q. Rock excavation?—A. Yes.

Q. Now then you went out in that way, and you found rock here (indicating)?—A. Twenty.

Q. And the next?—A. 23.

Q. And the next?—A. 23.70 and 32.1.

Q. And then you come to the red line?—A. Yes.

Q. Now beyond that there was no rock excavation?—A. No; at 55 there was no excavation there at all, they were only dredging to 36 feet.

Q. Now here is rock again (indicating on plan). Was there any excavation of rock at that point?—A. No, the rock is 63 feet so that there would be no excavation there.

Q. Where was there any other work done?—A. Here (indicating) excavation for the pier.

Q. Was there any rock excavation to be done at any of these places from here in (indicating)?—A. Not on this one here.

Q. At 47 here there is no rock?—A. Not to be excavated.

Q. Then we will take this next one here, there was work done down there?—A. That was excavated.

Q. It shows a rock excavation there?—A. At 34½, which means there would be 1½ feet of excavation to be done.

Q. Where it shows rock at 79 feet that means there was no excavation of rock?—A. No, not at that point.

Q. Then according to my understanding this plan which the contractors got, your original plan, shows no rock excavation outside the red line?—A. No rock excavation outside the red line.

Q. And yet Mr. MacLachlan, although this plan showed no rock there, as engineer in charge of the work, returned rock as being excavated?—A. Hard material, conglomerated.

Mr. CARVELL: Which he called rock anyway.

*By Hon. Mr. Reid:*

Q. But did he specify "rock" without mentioning what kind of material it was?—A. I do not know about that.

*By the Chairman:*

Q. With regard to this statement which you have prepared, and from which illustrations have been taken by Mr. Carvell, you say that the figures indicate that there was no rock. Are the figures in this statement which you have prepared for borings outside of the red line?—A. Yes, and inside from there to there (indicating). This here, was not; this is in another area.

Q. Anything below this line (indicating) is for borings outside the red line, there is no doubt about that at all?—A. No.

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Q. Well now, if the contractor only bored at the rate of  $6\frac{1}{2}$  feet per hour would not the rate of progress made by the drill be an indication that it was working in rock?—A. No.

Q. Well, if he only drilled  $6\frac{1}{2}$  feet an hour would not that indicate rock just as much as if he drilled 30 feet an hour it would indicate that it was not rock?—A. Yes.

Q. You understand what I mean. Here it shows that he is working outside the red line and he has only gone  $6\frac{1}{2}$  feet in the hour. Does that not indicate it is rock?—A. Yes, but you have to deduct the actual time lost. This is the time bored per drill per hour, allowing that they worked the whole nine hours without any loss of time whatever, which is impossible.

Mr. CARVELL: How much lost time was there in that case?

*By the Chairman:*

Q. Where is the loss of time indicated?—A. The actual time worked and the actual time lost?

Q. Where is the actual time worked?—A. It is here (pointing to statement). But the time varied. They did not all work the same time, all the drills did not work the same length of time. In some cases one drill would have finished ahead of the other and would have to wait until the other one was through before moving. That is the time that drill worked—No. 5 drill worked—taking off the loss of time.

Q. How long did it work?—A. 1.3 hours.

Q. You say that drill actually worked only 1.3 hours?—A. 1.3 hours.

Q. Out of the  $9\frac{1}{2}$  hours?—A. Out of the  $9\frac{1}{2}$  hours.

Q. Have you a distinct record of that time actually worked, 1.3 out of the 9 hours? Did they spend all the rest of the time moving?—A. That was got by taking the contractors' own figures for the time lost in repairs and other things.

The CHAIRMAN: You know better than I do, but that would seem to be a very small proportion of time out of the  $9\frac{1}{2}$  hours.

Mr. CARVELL: I have here the contractors' original reports, and by taking these reports you can figure out the actual time worked. This witness has worked it out and he finds from the contractors' own records that this drill only worked 1.3 hours.

*By the Chairman:*

Q. You spoke of five drills?—A. The five drills would work together, but when one drill was finished another drill was not. They would have to wait for the other drills because they could not have the whole scow moved at once. When one is finished it has sometimes to wait two or three hours for the other to finish up.

Q. In the last column of your schedule you have the actual rate drilled per hour?—A. That is the actual rate drilled per hour taking off the actual time that is lost for each performance.

Mr. CARVELL: I was going to ask to have it put in the evidence, because it gives all the information. Otherwise I shall have to ask the witness what was the rate per drill per hour.

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1915.											Based on Full Time.
Month.	Date.	Shift.	Drill No.	Feet drilled.	Hours per Shift.	Moves per Shift.	Time deducted moving.	Extra loss time.	Actual total time worked.	Average rate per hour drilled.	
Aug. ....	6	A.M.	1	332.9	8	16	1-20	1-40	5.0		74.3 37.2 per drill.
			2	312.3	8	17	1-25	1-40	5.0		
			3	317.0	8	19	1-35	3-30	2.1		
			4	290.4	8	19	1-35	2.50	3.5		
			5	246.7	8	20	1-40	1.70	4.3		
		P.M.	1	118.2	9-30	14	1-10	3-50	4.6		
			2	135.5	9-30	16	1-20	3-20	4.9		
			3	127.9	9-30	19	1-35	3-50	4.0		
			4	117.4	9-30	19	1-35	4-50	3.1		
			5	115.7	9-30	18	1-30	4-40	3.4		
			2	24.2							
			3	130.5							
			4	102.3							
			1	118.3							
			2	96.9							
			3	71.7							
		1278.7	4	65.3							
			5	54.8							
	9	A.M.	1	84.4	8	5	.25	0.55	6.7		
			2	57.6	8	3	.15	4-20	3.5		
			3	95.9	8	5	.25	6-25	1.2		
			4	74.2	8	4	.20	5.45	1.9		
			5	79.3	8	5	.25	6-05	1.5		
	9	P.M.	1	94.7	8	7	.35	2-15	5.2		
			2	104.7	8	7	.35	3-10	4.3		
			3	127.3	8	8	.40	4-10	3.3		
			4	152.2	8	8	.40	3-50	3.6		
			5	148.9	8	9	.45	2-55	4.3		
	10	A.M.	1	114.8	8	12	1.00	2-55	4.1		
			2	140.1	8	12	1.00	3-40	3.4		
			3	164.7	8	12	1.00	3-10	3.9		
			4	193.9	8	12	1.00	2-55	4.1		
			5	199.5	8	12	1.00	2-15	4.9		
	10	P.M.	1	63.5	9-35	42	1-31	7-10	1.1		
			2	53.7	9-35	41	1-26	7-05	1.0		
			3	69.2	9-35	42	1-17	7-10	0.7		
			4	69.7	9-35	41	1-37	7-25	0.6		
			5	58.0	9-35	40	1-28	6-45	1.3		
	11	A.M.	1	159.6	6	14	1-10	2-05	2.8		
			2	161.3	6	15	1-15	2-05	2.7		
			3	175.6	6	16	1-20	2-35	2.1		
			4	158.0	6	15	1-15	2-30	2.3		
			5	127.0	6	15	1-15	2-40	2.2		
	12	A.M.	1	249.4	8	17	1-25	2-50	3.8		
			2	264.3	8	19	1-35	3-00	3.4		
			3	232.1	8	17	1-25	4-20	2.3		
			4	234.2	8	17	1-25	3-35	3.0		
			5	186.6	8	17	1-25	2-55	3.7		
	12	P.M.	1	368.6	9-35	20	1-40	4-10	3.9		
			2	343.8	9-35	20	1-40	1-55	6.1		
			3	337.6	9-35	20	1-40	1-50	6.2		
			4	336.8	9-35	20	1-40	1-50	6.2		
			5	319.7	9-35	19	1-35	1-55	6.0		
	13	A.M.	1	142.5	8	8	0-40	1-00	6.4		
			2	237.8	8	12	1-00	2-15	4.9		
			3	237.4	8	12	1-00	4.05	2.9		
			4	234.3	8	12	1-00	4-55	1.1		
			5	206.7	8	12	1-00	4-35	2.4		

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1915.											Based on Full Time.	
Month.	Date.	Shift.	Drill No.	Feet drilled.	Hours per Shift.	Moves per Shift.	Time deducted moving.	Extra loss time.	Actual total time worked.	Average rate per hour drilled.		
Sept . . . . .	1	A. M.	1	181.1	8	19	1-35	2-25	4.0			
			2	138.0	8	15	1-15	3-30	3.4			
			3	148.5	8	20	1-40	4-25	2.0			
			4	126.6	8	17	1-25	4-25	2.2			
			5	47.7	8	10	0-50	5-30	1.6	49.4		
	1	P. M.	1	136.5	9-30	28	2-20	1-20	5.9			
			2	307.0	9-30	27	2-15	1-55	5.5			
			3	265.6	9-30	26	2-10	3-15	4.3			
			4	245.5	9-30	26	2-10	4-05	3.4			
			5	198.4	9-30	26	2-10	2-25	5.1	46.2		
	2	A. M.	1	361.6	8	20	1-40	1-55	4.5			
			2	341.4	8	20	1-40	2-35	3.8			
			3	327.6	8	20	1-40	2-35	3.8			
			4	332.4	8	20	1-40	3-25	3.8			
			5	290.7	8	22	1-50	2-35	3.6	96.9		
	2	P. M.	1	122.6	9-30	7	0-35	1.45	7.2			
			2	129.0	9-30	7	0-35	1-15	7.6			
			3	171.7	9-30	9	0-45	4-45	4.1			
			4	149.8	9-30	8	0-40	6-15	2.7			
			5	156.1	9-30	9	0-45	6-50	2.0	31.0		

*By the Chairman:*

Q. Looking at your statement, I see the figures 74. What do they mean?—A. 74 feet.

Q. Does that mean one drill went 74 feet?—A. Yes, sir.

Q. In rock?—A. No, that is in that earth material.

Q. I ask you does it mean that one drill went that distance in rock?—A. Not in rock, in that other material.

Q. We have been figuring out how many feet the drills went in rock. Have you figured it out in the same way?—A. That was not rock; you are figuring out now outside this area (indicating on plan).

Q. Yes.—A. That was not rock.

Q. But you say they charged for it as rock.—A. A portion of it was.

Q. Well, do you say it was not rock because they could not drill that far in rock?—A. Yes.

Q. You say the figures given here (pointing to statement) cannot be for drilling rock because they could not drill that far in that material?—A. Yes, but that is not the way I arrived at it. I arrived at it originally from the test borings.

Q. Your figures are nearly double those that we have been working on. I do not understand it unless we have not taken into consideration the time lost by moving.—A. That is it.

Mr. CARVELL: I was just going into that branch of the case.

THE WITNESS: For instance, for one drill to bore 150 feet, we will say, he would have to move ten times to make the 150 feet, and each one of these would perhaps average 15 feet.

*By Mr. Carvell:*

Q. Have you in this computation (indicating statement filed by witness) stated the amount of lost time of each shift and for each drill?—A. Yes.

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Q. After taking into consideration the lost time, and the actual time the drills were at work, have you figured out the average number of feet per drill per hour on those days on which you have given a record?—A. Yes, I have that information.

THE CHAIRMAN: It appears in the last column of the schedule.

THE WITNESS: For what dates do you want it?

*By Mr. Carvell:*

Q. The first date you gave us was 10th of August. Now, state the average number of feet per drill for the afternoon shift.—A. That was an average rate of 67 feet.

Q. Per drill per hour?—A. Per drill per hour.

Q. Now take the next shift on which you gave evidence.—A. 64-5.

Q. That would be the number of feet per hour per drill. Now the next one?—A. 72.

Q. The next?—A. 60.

Q. The next?—A. 59.8.

Q. The next?—A. 49.4.

Q. The next—A. 46.2 and 96.9.

*By the Chairman:*

Q. That is the actual drilling per hour per drill?—A. Per hour per drill.

Q. For which they charged rock prices, is that what you mean?—A. I believe so, a portion of it.

Q. Do you know how much of it there was?—A. I could not say. I believe there was two feet of deduction but I don't know how much that would amount to a yard.

*By Hon. Mr. Crothers:*

Q. Could you tell us what the material was outside of the red line, which you say was not rock?—A. It was sand with occasional small stones in it, one or two little stones.

Q. Was it material that could be removed by the dredges they had there?—A. It could be moved by some dredges.

Q. Yes, but I mean the ones they had there in use?—A. They could move it with a clamshell, probably, but I was not there when they had any dredges in use.

Q. My recollection of the agreement is that there were only two classes of material?—A. Two classes.

Q. One was rock and one was material which could be moved by dredging?—A. Yes.

Q. Would plastic clay, for instance, and gravel, be material which could not be removed by these dredges?—A. If it is packed hard enough a dredge cannot move it.

Q. Then if a dredge could not move it it ought to be classified as rock?—A. Yes.

Q. Hardpan could not be moved by a dredge?—A. Could not be moved by a dredge

*By Hon. Mr. Reid:*

Q. That, in your opinion, should be classified as rock?—A. Yes, sir.

*By the Chairman:*

Q. But the boring would go through that very rapidly?—A. Through which?

Q. Through the hardpan.—A. Not through hardpan.

Q. Would it go through plastic clay and boulders?—A. A drill?

Q. Yes.—A. Well, it would go through there fast.

Q. It would go through that faster than solid rock?—A. Faster than through solid rock.

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Q. Supposing the material which you have collaborated in the little memorandum presented here was plastic clay and gravel, would you expect the drill to go down through that rapidly?—A. No, it would not go that fast in that material.

Q. You say the drill would not go down fast in that material?—A. No, sir.

Q. Have you had the actual experience to know that?—A. I don't know what speed they could go in material of that kind, what you describe as plastic material.

Q. You do not know how quickly they might go through plastic clay which might be classified as rock?—A. No, I don't know what speed they might make in that.

Q. You made test borings over this ground. Did you find anything in your test borings that would be what is called plastic clay?—A. No, I did not find any.

Q. Now, can you with your pumping arrangement that you have described to us, make your way through plastic clay or conglomerate?—A. Yes, you can drill plastic clay and packed materials, only it takes a longer time, that is all.

Q. And did you find any material that would indicate to you the existence of plastic clay or anything of that kind?—A. No, there was in some cases, in a few borings, there was a few inches to as deep as 2 or 3 feet of some material overlying the rock in some areas. That was what I call the packed material.

*By the Chairman:*

Q. This statement is compiled from the contractor's figures?—A. Yes, sir.

*By Mr. Carvell:*

Q. And the inspector's as well?—A. The inspector's records do not give any time for lost time.

Q. The contractor's figures do?—A. Yes.

*By Hon. Mr. Crothers:*

Q. I understood you to say, Mr. Davy—but I am told I am not right—that Mr. MacLachlan was with you when you made the borings first. Is that right?—A. No, he was there at Victoria at the time.

Q. He was not actually with you when you were making the measurements outside the red line?—A. No.

Q. Did he have any information as to what your report was?—A. Yes.

Q. He had that, with details as to the material?—A. Yes.

MR. CARVELL: I take the Auditor General's figures here as to the progress estimate for the month of August, and I think, Mr. Chairman, we will take them as official, they are from the official files. He shows here how much earth excavation there was in the month of August.

*By Mr. Carvell:*

Q. How much earth is shown there?—A. 26,940 yards.

Q. And how much rock?—A. 13,183 yards.

Q. That would be for the month of August alone, or is that the totals?—A. That is for the month of August (indicating); that is carried through from the beginning of the work.

Q. That is what I thought. Where are the deductions?—A. There is no deduction except by getting July, if there are any figures for that in July.

Q. I thought they would have some record showing the deductions.—A. It is carried through from one month to another.

HON. MR. REID: The Auditor General could tell you that.

*By Mr. Carvell:*

Q. Anyway this will do for the purposes of my present question—that at the end of August the engineer in charge reported 13,183 cubic yards of rock removed?—A. Yes.

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Q. That would be up to that date. In the original estimate submitted to the contractors, when the contract was let, what was the total amount of rock to be removed in the whole work?—A. Four thousand and something.

Q. Something over 4,000 yards. So that at the end of August there would be at least three times as much rock reported as had been estimated in the whole work from the beginning?—A. Yes, but the estimate at the start was not taken out to the lines.

Q. I understand. You have gone back further and a little wider for the pier seats. But as a matter of fact, there was three times as much rock returned as had been estimated in the beginning?—A. Yes, sir.

Hon. Mr. REID: That would not justify the assumption that there was only 4,000 yards.

Mr. CARVELL: Just have patience. Is there not a letter accompanying that estimate from the resident engineer to the chief engineer? This might be merely an argument, but I would like to have it down. I want to know is it a fact. I know it is. Here is a letter on p. 11 of Mr. St. Laurent's report, from the resident engineer to the chief engineer I think it would be, dated August 20. Would that take in—that could not take in the excavation for the month of August, could it?

The WITNESS: I do not know what that letter states. (The Chairman read the letter to the witness).

*By Mr. Carvell:*

Q. Do you know what action the chief engineer took upon that report?—A. No, sir, I do not.

Mr. CARVELL: We will get at that in another way. On the 20th of August the evidence is that a report was submitted by the resident engineer that they were finding more rock than they had anticipated.

*By the Chairman:*

Q. You say that in the original estimates some four thousand odd yards of rock were estimated, and up to the 31st of August some thirteen thousand odd yards had been returned as excavated. What proportion of that increase would be due to the change in the location of the plan?—A. Well, the change in location increased the rock excavation by about three.

Q. That would bring it up to something over seven?—A. It would bring it up to 13,000 yards, as shown.

Mr. CARVELL: Of course, Mr. Chairman, remember the evidence was given when you were not here that the total returned quantity of rock is 25,000 yards.

The WITNESS: This was the estimate from this red line (indicating), leaving out the fact that it had been dredged out to here (indicating). This green area (indicating) ran into the greatest depth of rock excavation.

Mr. BARNARD: I would like to ask the witness some questions, and I would like to have him back on Friday.

Witness retired.

Committee adjourned.

## HOUSE OF COMMONS.

COMMITTEE ROOM NO. 301.

FRIDAY, March 24, 1916.

The Select Standing Committee on Public Accounts met at eleven o'clock a.m., the Chairman, Mr. Middlebro, presiding, and resumed the consideration of certain payments to Grant, Smith & Co., and Macdonnell, Limited, in connection with dredging at Victoria, B.C.

Mr. H. B. DAVY recalled.

*By Mr. Barnard:*

Q. You are an engineer in the Public Works Department?—A. Yes.

Q. And you made the borings for the Victoria Harbour work?—A. Yes.

Q. You went out there, you were not appointed out there, were you?—A. No, sir, I was sent out from headquarters at Ottawa.

Q. You have been at headquarters for some years?—A. Yes.

Q. And you were sent out there for this specific purpose?—A. For that and Vancouver.

Q. In making these borings you took down the intervals at which they were made, did you not?—A. Well, they bored at different places in this area which covers the biggest quantity of material, that is the West Slip, which is about four-fifths of the total, or very close on that.

Q. How close were they—have you the plan there?—A. Within an area of 150 feet square there were ten borings.

Q. What are you referring to on the map?—A. That is the West Slip (indicating) the whole total, the red and green on the map.

*By Mr. Kyte:*

Q. You are speaking of the section marked "A," are you?—A. Not only that, but the red piece to the left of it there. You will notice there are ten borings in that area of 150 feet square.

*By Mr. Barnard:*

Q. And you say that is the part of the work where the most of this material that was excavated came from?—A. Yes, because that slip comprises four-fifths of the total excavation that was done; that is these two slips (indicating) did not equal one-fifth of that one.

Q. And on that account you say that four-fifths of that disputed material came out of that area?—A. Out of this area, yes.

Q. And you make that statement for the reason that it comprises four-fifths of the total area dredged?—A. I do not exactly get that.

Q. Why do you say that four-fifths of the disputed material came out of this particular 150 feet square that you speak of?—A. Because as regards the number of borings that were made in that area, and the number of borings made in the other areas this is the area from which most of the material was excavated.

Q. That is the point I want to get at. Why do you say that most of the disputed material came out of that?—A. Most of the disputed material, and most of all the material.

Q. But it is quite possible, is it not, that there may be more disputed material in some other part of the work?—A. No.

MR. H. B. DAVY.



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Q. Why?—A. Because that comprises about 26,000 cubic yards, and these two (indicating on plan) added together only amount to about 6,000 yards.

Q. But there might be a proportion of it in the 6,000 yards. What I mean to say is that as far as the 6,000 yards are concerned there might be, proportionately, a greater amount of that disputed material than in this 150 feet square?—A. Well, it would not be.

Q. Why not?—A. Because by taking out the quantities it shows that the majority comes in that area.

Q. That is to say, from the engineer's returns?—A. From the engineer's returns, yes.

Q. In that plan you produced the other day does it show the class of material down to the rock, or simply the depth of the rock?—A. It simply shows the depth of water, and the depth to the rock; it would give the material between the water and the rock.

Q. But the plan itself does not show the class of material?—A. No, sir.

Q. Is there any record of the class of material?—A. Yes.

Q. When you made the original borings?—A. Yes, there is a record here and also in Victoria. All the details for each boring.

Q. Now then you told us, I think, that there was a layer of two inches to three feet of packed material?—A. Yes.

Q. And that would be spread pretty generally over the whole area?—A. No, that only covered a small area in the West Slip and a small area over here in the East Slip, and, I may say, that that packed material has been included in the 13,000 yards classified as "rock."

Q. It has been included?—A. Yes, because it was hard material, rock classed material, because it was harder to work.

Q. Then, at that rate, you say that outside the 13,000 yards there was absolutely no packed material?—A. No packed material.

Q. There was nothing there that the dredge could not lift?—A. Nothing that the dredge could not lift.

Q. What was the principal material outside of the packed material and the rock, what was the rest?—A. The rest was mostly all sand, with occasionally small stones and boulders, with a little clay.

Q. And that could be lifted by a clamshell, could it?—A. I do not know, I could not say.

Q. If it were sand and small stones do you know of anything to prevent a clamshell from working there?—A. No doubt it could, probably it would be, and as a matter of fact I think a great deal of it was moved by the dredge.

Q. Well, as a matter of fact, they put on two clamshells, one after the other, and they found they could not get this material out by the dredge?—A. I do not know about that, I was not there, but I believe they did put two clamshells on.

Q. Now, as you understand Mr. St. Laurent's report, he did not of course see the actual material which was dredged?—A. No, sir.

Q. But he bases his calculation upon two things—one that the engineer out there said they hadn't a dredge that was powerful enough thereby admitting that their Government dredges were powerful enough, and the other ground was the rate at which these borings were made?—A. Yes.

Q. Now, Mr. MacLachlan, the resident engineer, states in a letter that 45,000 pounds of explosives, gelignite, I think it was, were used to move the material, what do you say as to that?—A. Well, I do not know, they probably did use it, I do not know whether they did or not.

Q. Would the quantity of explosive used in that way indicate to you the class of material that had to be shot?—A. No, it would not.

Q. Is there not some table on which you can calculate that you would get so much stuff out by the use of so much powder?—A. Yes, but still at the same time, you could put a pound and a half of material in a hole that does not need any.

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Q. Oh, yes, of course you could put it in no doubt if you wanted to. But would not that involve a wholesale conspiracy on the part of the engineers, the inspectors and the contractors?—A. Not necessarily.

Q. To use 45,000 pounds of explosives unnecessarily?—A. Not necessarily so.

Q. Would a competent man use it?—A. No, he would not.

Q. Would an honest man use it?—A. He might, through ignorance.

Q. Mind, I am not saying this, but Mr. MacLachlan said it. If they did, as a matter of fact, use 45,000 pounds of explosives to remove this stuff when it was not needed to produce the results, either one of two things, they were either ignorant and used it unnecessarily or they were all standing in together to use powder in order to make it appear that the stuff could not be removed with that dredge. Does it not indicate that?—A. No, sir, it does not, because they probably used the majority of that powder to blow the rock that actually did exist; it was very hard rock.

Q. You say that 45,000 pounds of powder gelignite, would be used to blow up 13,000 yards of rock?—A. It could be used if it was not used carefully, especially when they——

Q. Would a competent man do it?—A. I could not say whether he would or not. I do not know how much they would use in that material, particularly as they went over and drilled that rock sometimes twice and they would necessarily use more in that way, than if they only drilled for the first shot.

Mr. McKENZIE: I object to the witness being examined and asked as to certain results with respect to data which are absolutely uncertain.

The CHAIRMAN: We have allowed great latitude on both sides, Mr. McKenzie.

The WITNESS: Mr. Barnard, the rate of drilling on that material is pretty far removed from any material which could be thrown in at rock prices.

*By Mr. Barnard:*

Q. I do not follow you.—A. I say the rate of drilling——

Q. You say this could not have been very hard stuff?—A. Yes.

Q. On the other hand, Mr. Valiquet was out there and made an investigation. You know that?—A. Yes.

Q. Did you read his report?—A. Yes.

Q. He had seen the dredge actually at work and came to the conclusion a dredge could not lift that material?—A. Because the dredge was put into the solid rock. The dredge was put into the solid rock area where there is a 22 feet rock cut. The locality where the dredge was put to work was pointed out to me by Mr. Valiquet and it was in an area where there was 22 feet of rock.

Q. In that case Mr. Valiquet could not have taken very much trouble to see what kind of bottom they were working on.—A. Why should he distrust the men?

Q. Because he was out there to investigate matters. Do you know why Mr. Valiquet went out there?—A. Yes, sir.

Q. Why?—A. To investigate.

Q. To investigate what?—A. To investigate the classification, I believe.

Q. If you had been sent out on a proposition of that kind would that not be an indication to you that there was some question about the classification?

The CHAIRMAN: You would not trust a man so much if you were going out to investigate the accuracy of his statements?

The WITNESS: There has been no case so far when we could not trust a man.

*By Mr. Barnard:*

Q. But when an official of the department at Ottawa is sent all that distance for the purpose of making an investigation——

The CHAIRMAN: He would know whether it was rock or earth.

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Q. He would know what the conditions were before he made a report saying that the classifications were all right? He would know whether it was rock or not.—A. Well, the dredge was working in this rock, and naturally it would seem that the material was rock, it should be classified as rock and so it was.

Q. You say the dredge was working in the rock?—A. It was working in a rock boring on the rock face, which it was impossible to dredge, until it tore the teeth out of the dredge.

Q. Don't you think that must have been done intentionally by the staff in charge of the dredge?—A. I don't know.

Q. What else could it have been? Do you know these dredges, Mr. Davy?—A. No, sir.

Q. Did you see the dredge that was on the work?—A. No, I did not see any of them.

Q. You have had experience with these specifications?—A. I have seen a great deal of them, yes, sir.

Q. On this specification it says that anything which cannot be dredged shall be classified as rock. What kind of a dredge would you say should be used?—A. I think any ordinary power dredge.

Q. Any ordinary power dredge?—A. Yes.

Q. That is to say, you would not insist on the most powerful dredge known?—A. The most powerful dredge?

Q. Yes?—A. No, because there is a great deal of difference between the most powerful dredge and an ordinary dredge.

Q. What do you call an ordinary dredge?—A. I cannot describe it other than as an ordinary dredge.

Q. What do you mean by an ordinary power dredge?—A. There is such a difference between the small dredge and the very powerful dredge.

Q. What is the ordinary dredge you are spaking of, something half way between?—A. About half-way between.

Q. Such as the *John A. Lee*? You do not know the dredges at all?—A. I don't know them at all.

Q. You would not feel as an engineer you would be compelled to classify this material that you could not lift with an ordinary power dredge as earth because it could be lifted by an extraordinary power dredge? Is that right?—A. Because it could be lifted with an ordinary——

The CHAIRMAN: With an extraordinary power dredge.

*By Mr. Barnard:*

Q. If you had an ordinary dredge and found it could not lift the material, but that same material could be lifted by an extraordinary power dredge, would you feel bound in a case of that kind, to classify that material as earth?—A. I think I would naturally want to get a ruling on it.

Q. You would ask the department for a ruling?—A. I would ask the department for a ruling, because the specifications only speak of a dredge.

Q. They do not say what kind of dredge?—A. They do not say what kind.

Q. It may be a very ordinary or a very powerful dredge?—A. Yes.

*By Mr. McKenzie:*

Q. What you say is that you think an ordinary dredge would remove this material?—A. Yes, sir.

Q. That is what you say?—A. Yes, sir. That is a dipper dredge, I am referring to a dipper dredge.

*By Mr. Hughes (Kings, P.E.I.):*

Q. Did Mr. Valiquet make his report before you were sent out?—A. Yes, sir, he did.

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Q. And why were you sent out, because Mr. Valiquet's report was not satisfactory?—A. No, I don't know why. All I know is I got instructions from the chief engineer to go out.

Q. Did you examine Mr. Valiquet's report, or were you supposed to?—A. No, I was not supposed to at all.

Q. You made a further report?—A. Yes, sir.

Mr. KYTE: Has that report gone in?

The WITNESS: Yes, sir, that is included; my report is included.

Mr. KYTE: I want to know if Mr. Valiquet's report has gone in.

The WITNESS: I don't know about that.

*By Mr. Hughes (Kings, P.E.I.):*

Q. If Mr. Valiquet's report had been satisfactory the probabilities are you would not have been sent out to make a subsequent report?—A. Well, I think there was some other trouble came up in between that.

*By the Chairman:*

Q. Did your report corroborate the Valiquet report?—A. Well, my report was just to verify the materials as they were, and to find out if rock existed outside of the original rock lines as they were before.

Q. In other words, did you find the condition that Mr. Valiquet had reported?—A. That is a hard question to answer because this material which Mr. Valiquet had reported on had been removed, and naturally I could not—

Q. How did you report it?—A. I reported that I found the same materials in the vicinity of the work, that is, down round the edges of the cuts and outside the rock line—I found the materials were—

Q. The same as he had reported?—A. Not the same as he had reported, because he did not report on them.

*By Mr. Barnard:*

Q. What you did, I think, was to go out and corroborate your own first test borings?—A. Yes, and to find if there was any rock outside the division line.

Q. To check up your first information given to the department and see whether it was correct?—A. Yes.

*By Mr. McKenzie:*

Q. How about the second borings, the borings that were made during the carrying out of the contract?—A. They showed just the same.

*By the Chairman:*

Q. Put it this way. Before you went out you had read Mr. Valiquet's report?—A. I don't think I did, I don't remember.

Q. Have you read that report since?—A. Yes, I have read it since.

Q. Have you made any objection to the department as to that?—A. Simply that I put in my report on the test borings.

*By Mr. Hughes (Kings, P.E.I.):*

Q. Is there any part of the work to which both reports refer, and do they correspond as to that part?—A. Well, Mr. Valiquet's report, I believe, refers to Mr. Mac-lachlan's request to classify conglomerate at rock prices, and which Mr. Valiquet did.

*By Mr. Barnard:*

Q. What is that again?—A. Mr. Valiquet's report was to find out if the material that Mr. Mac-lachlan had passed as conglomerate was to be passed at rock prices.

Q. The conglomerate or the material to be dredged?—A. Yes, sir.

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*By Mr. Hughes (Kings, P.E.I.):*

Q. What does your report say on that point?—A. My report is that the material I found in the vicinity and in the original borings taken in 1913, was not a conglomerate or a material that could not be removed by dredging.

*By the Chairman:*

Q. And therefore was earth?—A. Therefore was earth.

*By Mr. Hughes (Kings, P.E.I.):*

Q. Not rock?—A. Not rock.

*By Hon. Mr. Crothers:*

Q. There is a certain amount of powder mentioned as having been used in removing certain materials. As things are in Victoria harbour, could powder be used advantageously in the removal of material other than that which should be classified as rock, to loosen it up?—A. That would loosen it.

Q. That could be done with advantage?—A. Yes, but I might say that the average rate of drilling in the actual rock was from a foot and a half to three feet per hour.

*By Mr. Barnard:*

Q. Does not that suggest that this was rock?—A. No, but referring to the use of dynamite to blow this material out, showing that the material is very hard and needs a great deal of dynamite or powder to blow it.

*By Mr. McKenzie:*

Q. What class of rock was it?—A. Gneiss or stratified granite.

*By Mr. Barnard:*

Q. You have read Mr. St. Laurent's report, have you?—A. Yes.

Q. Was there in his opinion, or in yours, any hard material other than rock in that 13,000 yards that you have returned there, is there anything beside actual rock?—A. There is that overlying material, that overlies the rock sometimes, varying from a couple of inches to two or three feet.

Q. How is that arrived at in quantity?—A. It was taken out in the estimate of the rock; it was taken from the borings.

Q. From your borings?—A. That is all that was left to take the quantities from.

Q. Your borings of 100 feet apart?—A. Yes.

Q. Would you like to have your reputation depend upon that? If you made a report that certain quantities of material had been moved and somebody came along afterwards and worked it out on the borings as shown on the plan, and said there was just that much material removed, that the quantity of material you had returned was not there to be moved, would you like to have your reputation depend on that?—A. That is all there is to go by.

Q. You are making a very positive statement as to the quantity; and the result, if you are right, is that the engineer who made the classification is either dishonest or incompetent, and I put the question to you, would you, as an engineer, like to have the classification that you had made decided upon the general average of the borings such as you have in this case?—A. No, sir, it was not taken from that alone, but that was taken from the contractor's record.

*By Mr. McKenzie:*

Q. In other words, this work of ascertaining the proper classification and ascertaining the quantities was carried out according to the usual custom of your department and of engineers, you say that?—A. The classification?

Q. The methods—Mr. Barnard seems to find fault with your methods of finding the quantities. Did you follow the ordinary course in ascertaining the quantities and the classification?—A. Yes.

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*By Mr. Barnard:*

Q. What you did was the best you could do considering that all the material had been taken out, and that was to work on general averages?—A. And go by the contractor's drill records.

Witness retired.

Committee adjourned.

HOUSE OF COMMONS,

COMMITTEE ROOM No. 301,

WEDNESDAY, March 29, 1916.

The Select Standing Committee met at eleven o'clock, a.m., the Chairman, Mr. Middlebro, presiding, and resumed the consideration of certain payments to Grant, Smith & Co., and Macdonnell, Limited, in connection with dredging at Victoria, B.C.

Mr. EUGENE LAFLEUR, being called and making affirmation, was examined as follows.

*By Mr. Carvell:*

Q. You are the Chief Engineer of the Public Works Department?—A. Yes, sir.

Q. Did you sign the contract regarding the dredging in Victoria Harbour, B.C., and did you recommend it?—A. I signed the specification.

Q. And the contract adopted the specification? Would the conduct of the work be under the charge of your office?—A. Yes, sir, directly under the control of the District Engineer of course.

Q. Yes, directly, but it comes back to your office?—A. Yes, sir.

Q. And if there be a dispute or a question in the mind of the District Engineer to whom does he refer?—A. To me.

Q. We have it in evidence that the Resident Engineer, Mr. J. S. MacLachlan, on the 20th August, 1915, made a report to you. Is that true?—A. Yes, sir.

Q. Have you the letter with you?—A. No, I have not the letter.

Q. Well, take the copy of the letter which appears on page 11 of the evidence?—A. Yes, I have it.

Q. Do you recognize that as a copy of the letter sent you?—A. (After examining evidence). Yes, sir.

Q. What answer did you make to that?—A. I did not make any answer personally, sir. I referred the letter to my Superintending Engineer, Mr. Valiquet.

Q. Now, in this letter you were informed—I am paraphrasing it or putting it in my own language—that a certain amount of material which had originally been treated as earth was being classified as rock. Am I fair in that statement?—A. Yes, sir, but no quantity was mentioned.

Q. I know, but the quantity of material which had been originally treated as earth was being classified as rock?—A. Yes, sir.

Q. Had you in your possession the original estimate showing what the total amount of rock was supposed to be?—A. Yes, sir.

Q. How much was it?—A. 4,300 yards.

Q. Accompanying this letter was there not a progress estimate?—A. No, sir. I received this letter separately from any progress estimate.

Mr. EUGENE LAFLEUR.

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Q. Have you the progress estimate down to the end of July?—A. No, sir, I have not got it with me.

Mr. CARVELL: (To the Auditor General) I wonder if we have that here?  
(Fyle containing progress estimates produced by the Auditor General).

*By Mr. Carvell:*

Q. (Handing fyle to witness) Will you look at that, please, and tell me whether that statement had been received by you at the time you received this letter dated 20th August?—A. (After examining fyle) It had been received in my office.

Q. How much earth material did it show had been removed up to the end of July?—A. 24,940 cubic yards.

Q. And how much rock?—A. 3,183 cubic yards.

Q. How much rock beside that had been blasted and not removed?—A. 1,600 cubic yards.

Q. How much rock would that make altogether accounted for down to the end of July?—A. 4,783 cubic yards.

Q. And that would be more rock than was previously estimated in the whole job?—A. Yes, but not sufficiently great to cause any uneasiness on my part.

Q. But it is a fact that at the end of July the engineer had returned more rock than had originally been estimated in the whole work?—A. Yes, sir.

Q. Now, what was the total amount of material to be removed in the original estimate?—A. Of rock, do you mean?

Q. No, the total quantity to be removed, both rock and earth?—A. 51,900 cubic yards.

Q. And down to the end of July the returns together showed round 30,000 yards, isn't it?—A. Yes, around 30,000.

*By the Chairman:*

Q. The total was what?—A. 51,900 cubic yards.

*By Mr. Carvell:*

Q. So that the facts were—and I am not now finding fault with you, Mr. Lafleur, I only want to get at the truth—that at the end of July when a little more than half the total quantity had been removed, the total quantity of estimated rock had been found or accounted for?—A. Yes.

Q. Did the letter accompany the estimate?—A. No.

Q. Anyway, you got the letter which intimated to you that material which had been originally considered as earth was being classified as rock?—A. Yes.

Q. And the reasons were given that it could not be removed by, I think, two dredges?—A. May I enquire what was the nature of those dredges?

Q. I am going to enquire of you, I was coming to that question. Personally I do not know.—A. They were clamshell dredges I am told. I was not on the work, but I am told they were clamshell dredges.

Q. I think, Mr. Lafleur, the evidence is that one was clamshell and the other was a dipper.—A. Two of them, according to the evidence already given, were clamshells and one was a dipper.

Q. Having this, I will call it notification, in your possession, some time in the latter part of August, what did you do?—A. I referred the letter to my Superintending Engineer, Mr. Valiquet. I was led to believe by Mr. MacLachlan's letter that only a small percentage, at any rate, of the total quantity had been excavated in excess of what was in the—

Mr. BARNARD: Will you please speak a little louder, we cannot hear you?

Mr. EUGENE LAFLEUR.

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The WITNESS: By Mr. MacLachlan's letter I inferred merely that a certain percentage, merely say 10, 15 or 20 per cent over and above the amount included in the specification had been excavated. I see now that the amount was just about 15 per cent.

*By Mr. Carvell:*

Q. Now, Mr. Lafleur, I want to be perfectly fair with you. If you will take the first sentence of this letter you will find that the engineer stated as follows:—"In connection with items 1 and 2 in schedule, in the construction of the wharves at Victoria, I have to report that the approximate quantity of rock as described in the schedule will be very much below the actual quantity excavated."—A. I would have considered under ordinary circumstances that 15 or 20 per cent would be very large.

Q. That is the way it presented itself to your mind, then. Then you handed this letter over to Mr. Valiquet, and did you give him verbal or written instructions?—A. Verbal instructions, sir.

Q. What were they?—A. To write Mr. MacLachlan a personal letter in order to ascertain what was the excess quantity.

Q. Then I suppose we can get that document. Did Mr. Valiquet report back to you?—A. I do not remember, sir.

Q. What was the next step so far as you recollect?—A. As far as I recollect, the letter from the Auditor General calling the attention of the Department to this matter.

Q. And what was the date of that letter?—A. I could not tell exactly (consults documents). On the 15th November, 1915.

MR. CARVELL: That is not in evidence, is it?

The CHAIRMAN: I think it is in the Auditor General's report.

MR. CARVELL: This letter is found on p. V-431 of the Auditor General's report. I would like, Mr. Chairman, to get it on record. (Reads).

Audit Office, November 15, 1915.

Sir,—In a contract dated 9th March, 1914, with Grant, Smith & Company and Macdonnell, Ltd., Section 36 gives as approximate quantities the following:

1. Earth excavation measured in place, 47,600 cu. yd. at 52 cents.
2. Rock excavation measured in place, 4,300 cu. yd. at \$9.10.

In progress estimate No. 14 for work done to 30th September, 1915, I find your engineer has certified to the following quantities:

1. Earth excavation, 31,940 cu. yd.
2. Rock excavation, 20,183 cu. yd. and rock blasted, but not excavated, 50%, 5,105 cu. yd. making a total of rock to this date of 25,288 cu. yd. or an excess of rock over estimate of 20,988 cu. yd. at \$9.10 per cu. yd. This excess amounts to the enormous sum of \$190,990.

Before passing any further estimates, I have to request that you will explain the manner in which the estimate of 4,300 cu. yd. was arrived at. It hardly seems possible that experienced engineers, such as you have in your department could make such a serious mistake, and as the amount involved is so large, I think you should have the matter investigated at the earliest possible date.

I understand that Mr. Valiquet of your department has been in Victoria looking into the matter and have to request that you will be good enough to send me a copy of his report.

Awaiting an early reply,

I am, sir, your obedient servant,

J. FRASER, A.G.

The Deputy Minister of Public Works.

MR. EUGENE LAFLEUR.



## APPENDIX No. 1

*By Mr. Carvell:*

Q. What did you do after receiving that letter from the Auditor General?—A. I suggested that somebody be sent to Victoria to ascertain the facts.

Q. Let us go back a little while. Did you receive the August estimate?—A. Yes, sir; that is, my office did.

Q. Now, will you tell me what the estimate was that was rendered in the month of September, which would cover work done up to the 31st of August?—A. (Witness reads from Auditor General's documents) Earth excavation, 26,940 cubic yards; rock excavation measured in place, 13,183 cubic yards; rock blasted but not excavated, 50 per cent, 5,105 cubic yards.

Q. That made how much rock accounted for?—A. 18,288 cubic yards.

Q. Do you remember, Mr. Lafleur, whether that was brought to your personal attention or not?—A. No, sir.

Q. It was not?—A. No, sir.

Q. Had it been brought to your attention, would you have considered it very much in excess of the estimated amount?—A. Certainly, sir.

Q. It must have come under the consideration of some officer of your Department?—A. Well, as a general rule, the progress estimates on all works are passed without being referred to me unless something is very glaring.

Q. I appreciate that; you are the chief, and have many things to attend to. Did it come under the observation of some officer of your Department?—A. That is the man who would sign the progress estimates for me.

Q. He would be the only person?—A. Yes.

Q. At the headquarters office in Ottawa you think that would not be analysed?—A. What do you mean?

Q. Well you state now that the amount of rock shown in the August estimate was very greatly in excess of the estimated quantity?—A. Yes, sir.

Q. What I want to know is: Would that progress estimate, when it reached Ottawa, be investigated and examined into by some person?—A. Only the man who would sign the progress estimate for me, for the Chief Engineer.

Q. That would be Mr. MacLachlan out in British Columbia?—A. No.

Q. Who is the man?—A. Mr. Chalifour; he is my personal accountant.

Q. He is, then, the only person who would have examined it?—A. Yes, he is the only person.

Q. And he would have had the opportunity, if he chose to do so, of calling your attention to it, but did not do so?—A. My attention was never called to it except by the Auditor General.

Q. Will you follow down the estimate that came in in the month of October, that is for the September work?—A. (Witness consults file): Yes, sir.

Q. What does it show?—A. Earth excavation measured in place, 31,940 cubic yards; rock excavation measured in place 20,183 cubic yards; rock blasted but not excavated, 50 per cent, 5,105 cubic yards; making a total for rock of 25,288 cubic yards, the same as the—

Q. That is the whole of it then?—A. Yes, sir.

Q. I believe there was no more rock returned?—A. No, sir, no more rock returned.

Q. Then I suppose the same answers would apply as you have given in the case of the August estimate, that is that it did not come to your personal knowledge?—A. The same, sir.

Q. It did go to the officer of your department, and was not called to your attention?—A. Yes.

Q. Then you might go on and take the October estimate, which would be returned in November, in order to have it complete. Is that estimate not there?—A. I do not think that estimate is there.

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Q. The Auditor General tells me there is nothing else there.—A. Only up to September.

Q. Then it was on the September estimate that the Auditor General wrote the letter refusing to pay until the matter was investigated?—A. Yes, sir.

Q. And now will you tell me what you did to investigate the Auditor General's letter of the 15th November?—A. Mr. Valiquet was detailed to go to Victoria and look into the matter.

Q. Who is Mr. Valiquet?—A. He was one of my engineers at headquarters here at Ottawa.

Q. I presume we all know that, but perhaps you will tell us a little more about him. What are his duties?—A. He is in charge of a number of works.

Q. He has not been assigned to any one particular part of the Department?—A. No, sir.

Q. Then you sent him to Victoria?—A. Yes.

Q. At what time?—A. On the 25th of October, 1915.

Q. Well, evidently you had sent him to Victoria before you received the Auditor General's letter?—A. Yes, sir.

Q. And why?—A. Because certain rumours had reached the Department, without my knowing absolutely anything about the matter, certain rumours had reached the Department that there was something wrong going on at Victoria.

Q. Was there not a letter received from Mr. Barnard, the member?—A. I do not know about that.

MR. CARVELL: You don't know about that. I think that is right, is it not, Mr. Barnard?

MR. BARNARD: It was a telegram.

*By Mr. Carvell:*

Q. Well, Mr. Valiquet went, and he returned, now did he make a report to you?—A. I forget now if the report was made to me or to the Minister direct.

Q. He made a report anyway?—A. Yes, he made a report.

Q. That will be in the Auditor General's report as well, will it not. Have you a copy of that in your possession?—A. Mr. Valiquet's report?

Q. Yes.—A. I do not think I have.

MR. CARVELL: I will ask that Mr. Valiquet's report be placed on record, as follows:

#### OFFICE OF THE SUPERINTENDING ENGINEER,

Ottawa, December 9th, 1915.

"Sir,—With reference to a letter dated December 1, from the Auditor General, asking for a report on the excess of rock excavation returned in the progress estimates over that estimated before calling for tenders for the piers being built in Victoria harbour, B.C., I beg to state that I visited the works at the end of October and made an investigation as to the classification of the materials excavated.

In a letter dated August 20, the Resident engineer, Mr. MacLachlan, reported that a large quantity of hard material consisting of a conglomeration of cemented stone, gravel and clay, that could not be removed by dredges, and returned as rock excavation in the progress of estimates, as it had to be blasted before removal; this classification was allowed under clause 23 of the specification, which says that any material overlying the rock that can be removed with a dredge shall be considered as earth.

The specification also says that all earth material overlying the rock shall be removed before the rock excavation is proceeded with.

The earth excavation, amounting to about 32,000 cubic yards, was done by an ordinary clam shell; this plant could not, however, excavate the harder con-

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glomerate; a five ton clam shell was brought from Vancouver; after several days' trial it was sent back and a powerful dipper dredge was tried. After serious efforts, during which three spuds and several dipper teeth were broken, the contractors and the resident engineer decided that blasting had to be resorted to.

The drilling of the conglomerate and solid rock had been completed before my visit and only about 6,000 cubic yards of the material remained to be removed, after blasting. No solid parts of the conglomerate could be seen on account of its disintegration by blasting and removal by the dredge and deposited under water as filling between the pier walls. Mr. MacLachlan had to be relied on for the above information. I have no reason whatever to doubt the correctness of his statements, but he told me that during the process of removing the blasted material, large pieces of solid conglomerate were brought up.

With a view of obtaining personal information about the nature of the materials, the dredge was ordered to the site and placed near the edge of the cut that had been excavated. After getting a few dippers full of loose material the hard bank of conglomerate was struck and a dipper tooth was broken; after repeated trials in my presence, I was satisfied that the excavation with a dredge was impracticable.

A sharp-pointed steel rod was then produced and from a rowboat repeated trials were made to penetrate the bottom consisting of the same kind of material. After going through 15 to 18 inches of soft ground no impression could be made by repeated blows of the sharp point.

I also examined the very detailed records of the steam drill work kept by the contractors from measurements taken on the drilling rods from the drill scow in the presence of the Government inspectors; these records show that the drilling through the conglomerate was at the rate of 5 to 7 feet per hour, which is the ordinary rate through solid rock. Five 4-ton drills are mounted on a large scow; it is a first-class piece of machinery.

After obtaining personally this information, I wired you as follows:—

“Am satisfied that classification of dredging allowed at Victoria piers is correct according to specification. Would recommend that removal of blasted rock, amounting to about six thousand yards, to complete dredging and ordered to be stopped a few days ago, be authorized to be resumed.”

In order to compensate for the very irregular formation of the rock surface and the impossibility of reaching certain quantity of earth in pockets, in some cases 10 to 12 feet deep, the Resident Engineer suggested that 20 per cent of the rock classification be deducted, to which I agreed; the Contractors, however, strongly objected; they contended that 12 per cent would be nearer the proper deduction. The quantity is returned in the progress estimate after deducting the 20 per cent.

With a view to ascertaining whether any error had been made in laying out the piers and bulkheads, Mr. C. V. Worsfold, District Engineer at New Westminster, was instructed to check the measurements, and he has reported that the works are located in the proper position.

The general plan with soundings was prepared from a survey made in 1912, under the direction of the late Mr. Keefer, then the District Engineer.

The test borings, to ascertain the rock elevations, were taken in 1913, by Mr. H. M. Davey of this Department.

The contract plans and specifications were prepared by Mr. E. S. Miles, who has since resigned and left the Department; he also calculated the quantity of rock from the plan and found the amount mentioned in the schedule list; the rock excavation was also recently calculated from the plan by two independent parties who found practically the same quantity mentioned in

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the schedule list. I must say that accurate calculations cannot be obtained from the plan owing to the very irregular surface of the rock and the number of borings not being sufficient. The location of the piers on the contract plans was also changed from the original position, on which the borings were taken.

It must be concluded that the excess quantity, returned as rock, is due to the hard material overlying the rock, and which could not be removed without blasting.

Four tenders were received for the construction of these works; the prices per cubic yard were \$6.00, \$8.00, \$9.10 and \$12.00. The tender in which the price of \$6.00 is quoted is about \$750,000 higher than the total of the accepted tender.

I have the honour to be, sir,  
Your obedient servant,

U. VALIQUET, Superintending Engineer,  
Chief Engineer Public Works Department."

Q. Now you received that report, I presume?—A. Yes.

Q. On what date?—A. On the same date it is dated.

Q. Did you take any action after receiving that?—A. It was then that Mr. St. Laurent was sent.

Q. I am afraid he was not sent right away?—A. No, he got there on the 31st of December, I guess.

Q. He got there on the 31st of December?—A. Yes.

Q. What had taken place in the interim?—A. Nothing.

Q. Nothing at all?—A. No, sir.

Q. Had the Auditor General been corresponded with?—A. Not up to that date, I do not think so. No final report on this question is in yet; except that report by Mr. St. Laurent.

Q. Another officer of the Department was sent to British Columbia. That was Mr. St. Laurent?—A. Yes.

Q. And he got there you say on the 31st of December?—A. On the 31st of December.

Q. Well, of course I do not want to ask any questions about that, Mr. St. Laurent has already given his evidence. He testified that he came back and submitted a report?—A. Yes.

Q. And that report is now in the record of this case?—A. Yes.

Q. Was any action taken after Mr. St. Laurent reported?—A. In his report Mr. St. Laurent states that the original quantity of 4,300 cubic yards was not correct according to the contract plans and specification; that the real quantities should have been about 13,000 cubic yards—

Q. And he gave his reason?—A. He gave the reasons why, that there were certain areas that had been forgotten in the calculation of the rock excavation to be performed.

Q. That is the areas for the piers and retaining wall?—A. Yes.

Q. But he also stated that the portion that was actually dredged and had been calculated was erroneously classified as rock and should have been earth according to the original classification, did he not?—A. Yes.

Q. And he gave his own evidence along that line?—A. Yes.

Q. I want to take you back to the personal letter which Mr. Valiquet wrote to Mr. MacLachlan?—A. Yes, sir.

Q. I want you now, Mr. Lafleur, to tell this Committee why when Mr. MacLachlan wrote you a letter such as he did on the 20th August, which must have left the impression on your mind that he was trying to get away from the specifications as they had been previously understood, instead of writing him officially you handed it over to another officer under you?—A. Because I thought it was better to do so until I was in full possession of all the facts.

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Q. Well, Mr. Lafleur, did he not write you officially?—A. Yes, sir, he did.

Q. And acquaint you with the fact that the rock was very much under estimated?—A. Yes, he did so in his letter.

Q. He said so in his letter. And was it not a very plain intimation to you that he was going to classify the material as rock which had been understood by everybody as being earth?—A. I took the letter to mean that it was only a small excess of yardage and the progress estimates show it was only about 15 per cent.

Q. You took that letter to mean that it was only a small excess of that material was being classified as rock?—A. 10, 15 or 20 per cent was in my mind as being the excess.

Q. In order that there shall be no question of misunderstanding I will read Mr. MacLachlan's letter again, which is to be found at page 11 of the printed proceedings. (Reads).

Victoria, B.C.,

August 20, 1915.

Service Wharves, Victoria Harbour.

Dear sir,—In connection with items 1 and 2 in schedule, in the construction of the wharves at Victoria, I have to report that the approximate quantity of rock as described in the schedule will be very much below the actual quantity excavated. One dredge had been employed for some time removing the overlying mud, silt and underlying material, and later a much more powerful dredge. The attempts of both dredges to remove the underlying material were not successful. A very up-to-date boring machine is now engaged in drilling and blasting the material which appears to be a conglomerate and in its original state cannot be removed by a dredge. I, therefore, subject to your approval, classify same as rock, and hope this will be in accordance with your views.

Yours obediently,

(Sgd.) J. S. MACLACHLAN,

*Resident Engineer.*

Now, sir, take into consideration the fact that when the work was only a very little more than half completed, 15 per cent of rock in excess of the estimated amount had already been returned, do you still say that that letter was not sufficient to excite your suspicion that a very much greater proportion of rock was going to be returned in future?—A. I did not take it to mean that at the time.

Mr. CARVELL: All right.

*By the Chairman:*

Q. A report to the 31st August shows that the excess of rock at that time was 14,000 yards, or \$130,000 worth. Whose duty was it to take notice of an excess of that kind when the original estimate was only 4,300 yards? Surely there must be somebody in your Department who would pay enough attention to this matter to think there was something wrong there of their own notion and point it out?—A. There was nobody else in the Department who could call my attention to the matter, excepting the man I have named, Mr. Chalifour.

Q. You say it was Mr. Chalifour's duty. Is he the accountant?—A. He is the accountant.

Q. On noticing such remarkable increase in the estimate of rock it would be his duty to call attention to it?—A. Yes, sir.

Q. To call your attention to it?—A. I would say it would be.

Q. You would say that would be his duty?—A. Yes, sir.

Q. He did not do it?—A. No, sir.

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*By Mr. Barnard:*

Q. I understood you to say that after instructing Mr. Valiquet to write a personal letter you had no reply?—A. No, sir, I did not see the reply.

Q. Do you know whether he received a reply or not?—A. I did not see the reply until the day before yesterday.

Q. Until the day before yesterday?—A. No, sir.

Q. How do you account for it not having been shown to you?—A. Well, the reply was marked, as Mr. Valiquet's letter was marked, "Personal," and Mr. MacLachlan in his reply to Mr. Valiquet, asked him that the reply be kept personal.

Q. Why was a letter sent personal? Mr. MacLachlan's letter was official in the first instance.—A. Yes, but I wanted to ascertain the facts before making my official reply to Mr. MacLachlan.

Q. Before making your reply to him?—A. Yes.

Q. And then you overlooked the matter, is that it?—A. I beg your pardon?

Q. After you had given instructions to write the letter you did not consider there was any necessity to make further inquiries, or no further inquiries were made?—A. No further inquiries were made. If there were any I was not informed of it.

Q. Was it not a peculiar position to put Mr. MacLachlan in to write him a personal letter to give you certain information which you wanted to find out before you replied officially to his letter, and then not reply to his letter officially?—A. Well, he got the reply through the visit of Mr. Valiquet himself.

Q. Through the visit of Mr. Valiquet?—A. Yes, through Mr. Valiquet's visit. That was after the receipt of the letter from the Auditor General.

Q. No. However, we will get at that later. Anyway, there was a suggestion that things were not right?—A. Yes.

Q. He wrote asking for instructions in August?—A. Yes, sir.

Q. Because at that time according to his progress estimates the certificate showed the excavation of rock greatly in excess even at that time of the original estimate?—A. Only about 15 per cent. That is the July estimate amounts to about 15 per cent more than the 4,300 yards.

Q. And the work just commenced?

The CHAIRMAN: He said it would be very much in excess, too.

*By Mr. Barnard:*

Q. He was under the impression it was going to be greatly in excess and he said so.—A. That is what he says here.

Q. Now I come back to the same question: Was it a fair position to put the Resident Engineer in?—A. I think—

Q. After he made a report to you you wrote him unofficially. He replies unofficially and gets no instructions in answer to his request, and then when there is trouble you say that the sending of Mr. Valiquet out was the answer to his request. Do you think that was fair, remembering in the meantime that two more progress estimates had come in?—A. No, Mr. Valiquet went there in October.

Q. Well, you had the July progress estimate, and the September and October progress estimates at that time?—A. No, not October.

Q. Well, August and September, you had two more in?—A. Yes.

Q. And at that time you exceeded your original estimate, before you sent Mr. Valiquet out, by some 19,000 yards?—A. I thought at the time it was a fair way of treating the letter from Mr. MacLachlan. I may have been mistaken, it may have been an error of judgment on my part, but I thought it was much the better way of treating Mr. MacLachlan.

Q. Do you remember now what the reply was?—A. No, I could not tell you without reading the letter, that is the exact quantity you want to know.

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Q. Did you see Mr. Valiquet's letter to Maclachlan?—A. Yes, sir.

Q. Well, do you recollect that in that letter he told him that there was no other course to take than to return the quantity excavated in the progress estimates?—A. That is, if the material could not be removed by a dredge.

Q. Now, that letter was written on August 30th.

Mr. CARVELL: Mr. Chairman, the hon. member for Victoria is referring to a letter now—

Mr. BARNARD: From Mr. Valiquet to Mr. Maclachlan. I will read it.

Mr. CARVELL: It is marked "personal," but it now seems to be only right that it should go on the record.

Mr. BARNARD: It is a letter from Mr. Valiquet to the resident engineer at Victoria, dated August 30th, 1915, and is as follows: (reads)

Ottawa, August 30th, 1915.

Private.

Sir,—Mr. Lafleur has handed to me your letter of the 20th inst., regarding the quantity of rock to be excavated over that stated in the schedule for the constructions of wharves at Victoria. He does not wish to write you officially on the subject, but wishes to know what the excess will be. He has asked me to get the information privately, so please let me know what you think it will be.

I see no other course for you to follow but to return the quantity excavated in the progress estimates, as the contractors must be paid for the work performed.

Hoping you are enjoying your usual good health, I remain,

Yours truly,

U. VALIQUET,  
*Superintending Engineer.*

Mr. J. S. Maclachlan,  
Resident Engineer,  
Victoria, B.C.

The CHAIRMAN: What could he do less in view of that opinion of Mr. Valiquet?

Mr. CARVELL: It is a pretty straight tip.

*By Mr. Barnard:*

Q. Did you see Mr. Maclachlan's reply?—A. Yes, sir, I read it two days ago.

Q. Is that the first time you had seen it?—A. Yes, sir.

Q. He stated there that he thought the total rock excavation would be 28,000 yards, did he not?

Hon. Mr. CROTHERS: When was that letter dated?

Mr. BARNARD: September 10, in reply to Mr. Valiquet's letter of August 30.

Hon. Mr. CROTHERS: What does Mr. Maclachlan say?

Mr. BARNARD: He deals with other matters in the letter.

Mr. CARVELL: Had you not better read it?

Mr. BARNARD: There is nothing really private; it deals altogether with the contract.

Mr. CARVELL: Let us have the whole letter read.

Mr. BARNARD: (Reads)

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Private.

VICTORIA, B.C.

September 10, 1915.

*Wharves Victoria Harbour.*

Dear Sir,—

I am exceedingly thankful for your private letter of August 30, relative to excess of rock excavation, and in reply I intend, if you will allow me, to make the most of the opportunity.

I would have reported conditions of affairs *re* the rock much earlier than I did if I had not been positive all along that the dredges could remove the material without blasting. I insisted that a more powerful dredge than the first should be employed, and when this dredge the *John A. Lee* failed also, I waited until I had an approximate idea of what the boring would be.

The quantities of rock returned so far have been calculated from the borings recorded on the plant by two inspectors of the Department who are two careful men. An approximate estimate of the total rock excavation as at present being excavated will be in the neighbourhood of 28,000 cubic yards. I have looked at the question from every point, and am afraid the Department is compelled to pay rock price for material, but of course I am very anxious to know what you advise in view of such enormous additional cost.

May I, with due deference, ask you if you could pay a visit to the works particularly before the dredging is completed. Conditions in connection with the other divisions of the contract are most unsatisfactory. I enclose you a copy of a letter which I sent to the firm recently, and to which I have had no reply. The main objections are: the construction of the concrete in the cribs, and the progress generally. According to the present system of pouring concrete we cannot get a "worked" face, and there is consequently an enormous amount of patching and repair work. In last month's estimate the contractors asked to have 50% allowed on the last crib which has been constructed, also 50% on cement delivered, both of which I refused until such a time as the two remaining cribs have been launched, which is expected before the end of the month. If the launching is not a success I shall send the Chief a full official report of the present unsatisfactory state of affairs. In the meantime unless you intend inspecting the works, may I respectfully suggest that this information be kept private.

Yours obediently,

Resident Engineer.

U. Valiquet, Esq.,

Superintending Engineer,

Department of Public Works, Canada.

Ottawa, Ontario.

*By Mr. Barnard:*

Q. Now, what do you think the engineer should have done in the face of that, Mr. Lafleur?—A. He states there that there will be 25,000—

Q. 28,000.—A. 28,000 cu. yds. of excess yardage.

Mr. CARVELL: No, that the rock would aggregate, I think, 28,000 yards.

The CHAIRMAN: It was only 4,000 yards at first.

Mr. BARNARD: The letter states the total rock will be in the "neighbourhood of 28,000 cubic yards."

The WITNESS: That is 24,000 excess yards.

Mr. BARNARD: Instead of that, it is given as 32,000 yards on his classification.

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The CHAIRMAN: That is 28,000 yards excess. He was under the mark about 4,000 yards.

The WITNESS: I stated, a few minutes ago, that the dredges which Mr. MacLachlan used were clamshell dredges. He could not ascertain with a clamshell whether it was rock or any other hard material which could be removed by a dredge. This specification says "a dredge" and he acknowledges in his declaration to Mr. St. Laurent that one of our dredges, the *Ajax*, could have removed the material, which it actually did remove during Mr. St. Laurent's visit there.

*By Mr. Barnard:*

Q. That is not the point. The question I ask is this: He wrote you on the 20th of August saying that he would have to classify it in this way, that it was going to greatly exceed the amount of the estimate; and he asked for instructions. You had him written to privately on the 20th August, asking him what the amount would be, and telling him that there was nothing to do apparently but to classify it in that way. He writes back on the 10th September, and tells you there are 28,000 yards, and asks you to come out and look at it.—A. He asks Mr. Valiquet, in his letter, to go out, which he did later on.

Q. He did go six weeks afterwards, and after two more progress estimates had come in. That is right?—A. Yes.

Q. Nothing was done until a complaint was made?—A. Yes.

Q. What did you expect, or what do you think he should have done that he did not do, from the time he first wrote you on the 20th August until Mr. Valiquet went out?—A. He should have employed a dredge.

Q. He had been employing the dredges. He had put on two clamshells and the dipper dredge.—A. He tells me in his letter of August 20th: "One dredge had been employed for some time removing the overlying mud, silt and underlying material, and later a much more powerful dredge. The attempts of both dredges to remove the underlying material were not successful." I say that they could not be successful because they were clamshell dredges.

Q. You did not tell him that.—A. No, because I did not know the kind of dredges. He surely knew he could not remove any kind of hard material with a clamshell dredge.

Q. A dipper dredge was put on, and he said it could not be worked.—A. But Mr. MacLachlan, in his statement to Mr. St. Laurent, and to myself, I may say, verbally, stated that the material could have been removed by our dredge *Ajax*. Then why did he not ask—was it not his duty—if the *Ajax* was the only dredge on the coast that could remove that material, was it not his duty to ask the Department for the use of the dredge *Ajax*?

*By the Chairman:*

Q. When you sent your engineer Valiquet out in December, he writes as follows: "With a view of obtaining personal information about the nature of the materials, the dredge was ordered to the site and placed near the edge of the cut that had been excavated. After getting a few dippers full of loose material the hard bank of conglomerate was struck and a dipper tooth was broken; after repeated trials in my presence, I was satisfied that the excavation with a dredge was impracticable."

Now do you blame him when you sent your own man and he also reports that?—A. I blamed my own man. Not at all.

Q. You say Mr. Valiquet was wrong too, do you?—A. No, I do not say that Mr. Valiquet was wrong in this way that, being anxious to get the information as soon as possible, Mr. Valiquet had to rely upon the information given him.

Q. No, no. Mr. Valiquet says, "I went out there myself, and for my own personal information I got a dredge there to test the material and saw that it was impracticable to remove it with a dredge."—A. With that dredge.

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Q. With a dipper dredge, not a clam shell dredge.—A. And Mr. MacLachlan says it could have been done by the dredge *Ajax*.

Q. Therefore Mr. Valiquet is right or wrong in your opinion? You sent him out there for the purpose of making a personal examination to see whether Mr. MacLachlan was right, did you not?—A. Yes.

Q. And he comes back and reports that Mr. MacLachlan was right, and that the amount should be classified as it actually had been, isn't that right?—A. Yes.

Q. He made that report after he had seen and examined it, and he found it as Mr. MacLachlan had reported it?—A. After the examination which he had made, which was not complete, and the reason was the fact that the Minister and myself were anxious to get a report as soon as possible so as to rectify the matter.

Q. It must come down to this that Mr. Valiquet was sent out there to make a personal investigation, he made an investigation, but it was not complete?—A. He had to rely upon the opportunities he had to get information.

Q. No, excuse me, he says that "with a view of obtaining personal information about the nature of the materials, I took that dredge there, and after getting "a few dippers full of loose material the hard bank of conglomerate was struck and a dipper tooth was broken; after repeated trials in my presence I was satisfied that the excavation with a dredge was impracticable."—A. With that dredge.

Q. With a dredge, according to the words of the specification, it was impracticable, and notwithstanding that you passed this estimate. We just want to know where the blame lies. We do not want to shift it on one man who doesn't deserve it. These are facts.—A. Those are facts, but Mr. Valiquet, in order to satisfy both the Minister and myself, did take his information, apart from the fact that he used that dredge, from Mr. MacLachlan.

Q. He went out there with a view of satisfying himself by personal examination and he tried a dredge, I presume a dredge according to the specifications. Does it not say in the specification that any material that cannot be removed with a dredge shall be classified as rock? He went out there to ascertain whether what Mr. MacLachlan had done was right, and he said it was. If Mr. MacLachlan is wrong, Mr. Valiquet is wrong.

Mr. CARVELL: And he got a dipper dredge.—A. But the dipper dredge was not strong enough to move that material.

*By Mr. Barnard:*

Q. You mean that he should have got a dredge strong enough to move it?—A. A dredge powerful enough for the work and it would have moved it, such as the *Ajax*.

Q. Supposing the *Ajax* was not powerful enough, should he have gone to the Atlantic coast to get a dredge powerful enough and brought it round—supposing there were no dredges available on the Pacific coast, would you expect the contractors to come to the Atlantic coast to get a dredge that would be powerful enough to do it?—A. That would be unreasonable.

Q. You are interpreting the specifications?—A. Yes.

Q. Where do you stop on the question of the power which the dredge should have?—A. At a dredge which could move it, and Mr. MacLachlan says himself that it could have been removed by the dredge *Ajax*.

Q. Would you go so far as to say that if there were no dredge available on the Pacific coast to remove that material that the contractors should go to the Atlantic coast to get one?—A. Oh, I would not say that.

Q. It is your specification, how do you interpret it?—A. I would not go as far as that, certainly.

Q. Where would you stop?—A. Then it would be a question of compromise between the Department and the contractors.

Q. Supposing there are no dredges on the Pacific coast, except the Government

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dredges, powerful enough to do the work, and supposing the Government dredges were not available for the purpose, being all filled up with other work, what would you say?—A. That is all supposition.

Q. Where do your specifications stop?—A. My specifications say that a dredge could do the work, and it was told me that on the Pacific coast there was a dredge that could do the work.

Q. That is a Government dredge?—A. Yes, and I consider that it was Mr. MacLachlan's duty at the time to tell us that the *Ajax* could do the work and then we would have managed to put that dredge on the work.

Q. Mr. MacLachlan had no control over the dredges.—A. He used a dredge that could not do the work, and Mr. Valiquet did the same.

Q. And Mr. Valiquet was representing you?—A. Certainly.

*By the Chairman:*

Q. Why did the engineer, who was supposed to know the terms of the contract, take a dredge of that kind, make a report that the material could not be removed by it and then turn around again and say it was not the right kind of dredge to try?—A. It was the right kind of dredge, as far as the character of the dredge was concerned, but it was not powerful enough for the work. Mr. MacLachlan declares, and his declaration is made upon the use of two clam shell dredges, used to ascertain whether that material could be removed.

Q. But this dipper dredge that Mr. Valiquet used, it was the proper kind?—A. It was a proper dredge, as to "kind."

Q. But as to power, what do you say?—A. As to power it was not.

Q. Then why did he take it at all?—A. That is for Mr. Valiquet to say.

Q. No, it is for you to know. If you say that it was not the right kind of dredge, what business had your engineer to do that?—A. That is for Mr. Valiquet to answer, why he took that dredge instead of asking for the Government dredge.

Q. And he made a report to you that that was the proper classification?—A. Because he took a dipper dredge that was not powerful enough.

The CHAIRMAN: It comes back to the same thing every time, does it not?

*By Mr. Barnard:*

Q. The September and August estimates went through your office, I suppose; they would be certified by you?—A. Not by me.

Q. Not by you?—A. No. I see practically nothing of the estimates in the Department, that go through the Department, until the final estimates come in, and then I examine them personally, that is the final estimate on every work.

Q. Then the situation, I take it, in the Department is this: First of all you have the fact that your estimate of rock excavation is going to largely exceed—that is the actual excavation is going largely to exceed the estimates. That is the first point. Next, you have the letter from the engineer on the job telling you that it is going to largely exceed it; then you have the progress estimates coming into the office, for two months in succession, showing a very grave excess, over five times the estimated quantities, and yet those estimates are paid. Therefore your office shows no check on them, nothing is said about it, those estimates were paid without any question. That is the situation, is it not?—A. That is the situation.

Q. But at the same time the official whom you sent to get information about this had information in his possession that the estimated over excess would be something like 28,000 cubic yards. That would be the situation, would it not?—A. According to the information I got from Mr. Davy, yes.

Q. Now about these dates, I just want to straighten that out. I think, in mistake, you said, two or three times unintentionally that you heard nothing about this matter after Mr. MacLachlan's letter to you until you heard from the Auditor General? Did



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you get instructions from the Minister to send Mr. Valiquet out there?—A. Yes, sir. I sent Mr. Valiquet out under orders from the Minister.

Q. Did he tell you why?—A. Because of certain rumours that things were not all right.

Q. That was before you had heard anything from the Auditor General, because Mr. Valiquet went out there before the Auditor General wrote the Department?—A. Yes, sir.

Q. I think you also stated that Mr. Valiquet's report was not final, that there was no final report until Mr. St. Laurent's report.—A. Until Mr. St. Laurent's report came in.

Q. Was Mr. Valiquet's report not intended to be final?—A. It was at the time, but the Minister thought it would be better to have that report corroborated by somebody else.

Q. As a matter of fact, what happened was this: You in the Department accepted Mr. Valiquet's report, then the Auditor General wrote the Department, and you decided to send Mr. St. Laurent out there? Is not that what happened?—A. Yes, I suppose that was the sequence of events.

*By Mr. Carvell:*

Q. Do you know, Mr. Lafleur, of the Auditor General writing to the Premier and the Premier writing to the Minister of Public Works about this matter?—A. If I remember aright I saw such a letter as that.

Q. Have you a copy of that letter here?—A. No, sir, I have not.

Mr. CARVELL: Possibly this may be a little irregular, but I have here the Auditor General's file containing copies of the letters written in regard to this matter, and perhaps we had better put them in evidence just now and make the record complete. Here is the Auditor General's letter to the Premier, dated 2nd December. That will be some days before the official letter to the Department. (Reads):

AUDITOR GENERAL'S OFFICE,

December 2, 1915.

SIR,—On the 9th March, 1914, a contract was let to Messrs. Grant, Smith & Co., and McDonnell, Limited, for wharves in Victoria Harbour, amounting to over two million dollars.

The estimated quantities for earth and rock excavation were as follows:—

Earth excavation, 47,600 cubic yards at 52c.

Rock excavation, 4,300 cubic yards at \$9.10.

The progress estimate for 31st October last, is now before me for payment and shows as follows:—

Earth excavation, 31,940 cubic yards at 52c.

Rock excavation, 25,288 cubic yards at \$9.10.

or an excess of rock over estimate of 20,988 cubic yards, which at \$9.10, amounts to \$190,990.80.

Serious rumours have been in circulation for some time in connection with this work, and I understand that Mr. Valiquete, an Engineer in the Public Works Department, was sent out to Victoria to inquire into the matter.

On November 15th last I wrote the Public Works Department calling their attention to the excess of rock excavation and asking for a copy of Mr. Valiquete's report, and asking them not to pass any further progress estimates until the matter was cleared up, but so far have received nothing but an acknowledgement of my letter.

I have now received an application for payment of a progress estimate for October amounting to \$65,650, but shall have to decline to pass it.

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I see by this estimate that the contractors have commenced filling in the piles with concrete, which will make an examination of the excavation very difficult and expensive, and would beg to suggest that this should be stopped until a test can be made.

I may say that I have seen a statutory declaration by an engineer on the dredge, who states that up to the 10th August last not more than 600 cubic yards of rock had been taken out, while the progress estimate to 31st August shows 18,288 cubic yards.

I am, Sir,

Your obedient servant,

(Sgd.) A. FRASER,

*Auditor General.*

Rt. Hon. Sir ROBERT BORDEN, P.C., G.C.M.G., Prime Minister

That letter was answered by the Prime Minister at a very late date, but he explains (Reads):

PRIME MINISTER'S OFFICE,

OTTAWA, ONT., December 28, 1916.

SIR,—Upon my return to Ottawa to-day I find a letter from the Minister of Public Works respecting the matters alluded to in your communication of 2nd December. I enclose a copy herewith for your information and for any further suggestions which you may desire to make on the subject.

Yours faithfully,

(Sgd.) R. L. BORDEN.

JOHN FRASER, Esq.,

Ottawa, Ont.

THE AUDITOR GENERAL: There is one letter evidently that is not on the file. I had an immediate reply from the Premier to my first letter, stating that he had handed the communication to the Minister of Public Works for a report at once.

MR. CARVELL: I was going to read a letter from the Minister of Public Works to the Premier.

THE CHAIRMAN: Read the letter from the Minister of Public Works, which is enclosed to Mr. Fraser.

MR. CARVELL: That is the enclosure. I will do so. (Reads):

OFFICE OF THE MINISTER OF PUBLIC WORKS OF CANADA,

OTTAWA, December 17, 1915.

MY DEAR SIR ROBERT,—I have been delayed in answering your letter of the 2nd instant (in which you enclosed a copy of a letter from the Auditor General, making certain statements with reference to work being carried on at Victoria, under the contract of Messrs. Grant, Smith & Company, and Macdonnell, Ltd.) by reason of the fact that, when this matter came to my notice some time ago, I undertook to have the same thoroughly looked into and ordered Mr. Valiquet, Superintending Engineer of this Department, to proceed to Victoria at once and make a thorough examination and report upon the same.

I now beg to enclose you herewith copy of Mr. Valiquet's report, together with a copy of a report made by Mr. H. M. Davy, the Department's Engineer in charge of test borings, and I also beg to enclose a letter of explanation from Mr.

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Angus McDonnell, a member of the firm of contractors, all of which go to explain the conditions in connection with this contract and supply the answer desired by the Auditor General.

However, with a view of having the matter more fully looked into, I have stopped the work and have instructed Mr. Arthur St. Laurent, Assistant Deputy Minister of Public Works, to proceed to Victoria at once and make a thorough further investigation and to report to me as soon as possible.

Yours sincerely,

Sgd. R. ROGERS.

Sir ROBERT BORDEN.

Prime Minister of Canada, Ottawa, Ontario.

I will not read Mr. Valiquet's report because that has already been placed in evidence, but I will go on to read that of Mr. Davy. (Reads.)

REPORT OF TEST BORINGS VICTORIA HARBOUR,

OTTAWA, December 13, 1915.

HON. R. ROGERS,

Minister of Public Works, Ottawa.

Sir,—Test borings were started at Victoria, September, 1912, to determine the materials in the Outer Harbour underlying the proposed wharves and berths as laid down by Mr. Coste, Consulting Engineer.

From Rithets Pier No. 2 along the water front for 2,000 feet south, cross sections of borings were made every 100 feet, in all 202 borings were made, of which 147 showed solid rock at varying depths from 7 to 80 feet below low water.

The solid rock, which is gneiss or stratified granite, has a very uneven surface, forming humps or peaks. The slope of the rock was found to be 12 to 20 feet in 100, the 30 foot rock contour being found at about 300 feet from shore, and the 70 foot contour at 500 feet. At 900 feet from shore no rock was found at a depth of 130 feet below low water, so these borings were not continued deeper.

The materials overlying the rock consist mainly of sand, clay, and a mixture of gravel; the top or first material penetrated is the sand which for 600 feet out from shore extends down to within 3 feet of the solid rock. The borings further out from shore than the above showed about 15 to 20 feet of loose sand overlying a layer of packed materials (sand, clay, gravel) from 1 to 2 feet in thickness. Below this was found a soft clay which extends almost to the solid rock. Immediately overlying the rock about 3 feet of packed sand and gravel was found.

Along the line of the south side of the Breakwater, borings were taken to 1,500 feet out from shore, which showed the same materials as in the borings further north.

In this locality the solid rock dips off much slower; the 70 foot contour being found about 800 feet out.

Owing to the large quantity of rock located by the borings, the original location of the piers, etc., were changed. The very irregular formation of the rock is noticeable on the immediate shore at low tide.

The enclosed plan shows the location of the Outer Harbour. The areas coloured show the localities test bored for proposed improvements.

I have the honour to be, sir,

Your obedient servant,

(Sgd.) H. M. DAVY,

*Engineer in charge of Test Borings.*

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Now there is a long letter here, that I will not take the time of the Committee to read, although I think it ought to go on the record, because it is an answer to the letter to the Prime Minister. It is signed "Angus McDonnell, for Grant, Smith & Co., and McDonnell, Limited."

Mr. BLAIN: And it is addressed to whom?

Mr. CARVELL: The Chief Engineer of the Department of Public Works, and is dated December 3.

The CHAIRMAN: That is already in the Auditor General's Report, at p. V—435.

Mr. CARVELL: The letter is as follows:

OTTAWA, December 3, 1915.

SIRS,—

With reference to classification of material dredged from the site of the Victoria piers, for which my firm has a contract, I beg to submit the following statement:

Prior to June last, with our own clamshells, we had attempted to remove some of the material to be dredged, and found that our machines could not handle the material and, in fact, the small amount of material we were able to move cost us over \$2 per cubic yard, for which we were receiving 57c.

The estimated quantities showed approximately 50,000 cubic yards of earth and 4,000 cubic yards of rock.

About the end of May, Mr. C. E. MacDonald, of Vancouver, approached us with a view to taking a sub-contract for the dredging. We sublet the dredging to him and he brought the *John A. Lee*, the biggest clamshell dredge on the coast, over on the work, which worked there during the months of June, July and part of August. During the month of June he clammed all over the ground to be dredged, but was unable to get any quantity of material as it was too hard. The end of June he made arrangements with Henry, McFee & McDonald, of Vancouver, to bring over their drill boat to drill a shoot in the hard material, and during the month of July and the first part of August got a certain amount of the hard material out with the *Lee*, but as she was even then not handling the material satisfactorily, he sublet the dredging to the Pacific Coast Dredging Company.

After we had sublet the dredging to Mr. McDonald none of our men paid any attention to it, as we were very busy getting our marine ways ready for launching the cribs.

About three months ago Mr. McLachlan came to me saying that he anticipated some comments from Ottawa as the quantity of higher priced material was very largely over-running the preliminary estimate, and suggested that he should retain 20 per cent of the material he felt he should classify as rock, pending the decision of the Chief Engineer, his reasons for wishing to do so being that a large proportion of the material, it was necessary to drill and shoot to remove was not actually rock, but a conglomerate of boulders and hard material. I told him at that time, that as none of our own people had paid any attention to the dredging since it had been sublet, we were not in a position to judge, but I considered that he had no more right to hold back any material that according to the specifications should be classified as rock, than to give any material as rock that should be classified as earth, and that I wanted all material classified as rock that we were entitled to and no more, and it was up to him to watch the work done by our sub-contractors and classify the same according to his own judgment.

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After Mr. MacDonald had in turn sublet the work to Henry, McFee and MacDonald, and to the Pacific Dredging Company, on which he was making a profit, Mr. MacDonald informed me that one morning his bookkeeper, a Mr. Mallory, came to him and demanded a quarter interest in his contract from us, stating that if he, C. E. MacDonald, did not do as he demanded he would make trouble for him. Mr. C. E. MacDonald then discharged him. Mr. Mallory, I understand, then went to Mr. Barnard, the Dominion member for Victoria, and made certain allegations to the effect that the contractors were getting over classification for the material dredged on our work.

Mr. Barnard, I understand, wired the Department requesting an investigation, and that an engineer be sent out from Ottawa. We received instructions to suspend dredging operations pending investigation, which we accordingly did.

On Mr. Valiquet's arrival in Victoria I told him that since the dredging had been sublet to Mr. MacDonald, our own men had not paid any attention to the work, but had merely accepted the figures given to us by the Dominion Government Engineer, on which we were paying our sub-contractor, therefore we were not in a position to judge, but were quite willing to accept his ruling on the classification whatever it might be.

I made arrangements for the Pacific Coast Dredging Company's dredge to be on the site of the work, and Mr. Valiquet had it moved to different places on the site, and made several tests in the face of the cut already taken out. I may state this is the most powerful dipper dredge in Canadian waters on the coast.

Mr. Valiquet then went over the records that had been kept in the drill boat for the Contractor's own cost sheets. These show that the drills averaged approximately 7 feet per hour after striking hard material. The Government Engineer had an inspector on the drill boat, and kept a record of each hole drilled and the depth at which the hard material was encountered, from which records, I understand, the Government Engineer plotted the cross sections. Mr. MacLachlan informed me that he had deducted 20 per cent from the total of hard material thus arrived at in making up the classification of material removed. I may state that the steam drills employed weigh 4 tons on a 3-inch bit before steam is turned on.

Mr. Valiquet, after making these tests, informed me prior to his departure, that he approved of the classification given.

You informed me that a statement has been made that only 600 cubic yards of rock had been removed up to August 10, while estimates up to August 21 show 18,288 cubic yards. I am unable to say during what months the hard material was removed by our sub-contractor, as our people were not on the dredges, but would judge the majority of the soft material which was removed by the *Lee* off the top in the first months, but cannot see how the total quantity of hard material moved to date can be questioned after tests made by Mr. Valiquet and cross sections derived from the drilling records.

As the statements of Mr. Mallory, who, I gather, has not a very enviable record, upon investigation, were unsubstantiated, I think it is working a hardship on our sub-contractor that he should stand the loss for suspension of the work during investigation, as set forth in my previous letter to the Department, and as the classification has been approved by your investigating engineer. I consider it a very arbitrary and unjustifiable proceeding of the Auditor General's Department holding back our estimates.

Your truly,

(Sgd.) ANGUS MCDONNELL,

*For Grant, Smith and Co., and McDonnell, Ltd.*

Chief Engineer,

Public Works Department.

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*By Hon. Mr. Crothers:*

Q. How long have you been chief engineer of the Department of Public Works, Mr. Lafleur?—A. Since 1905.

Q. About eleven years. Has there been any change in your form of specification for dredging during that time?—A. There have been a number of changes.

Q. Touching classification?—A. Yes, the classification for dredging contracts is not exactly the same as I generally make it for a building contract.

Q. For dredging, what changes have been made?—A. We enumerate in the second class, Class B, a number of materials which are considered as earth.

Q. When was that change made?—A. That was made, in the dredging contract, it was made just about the time I became chief engineer.

Q. About eleven years ago. There has been no change during that eleven years?—A. A change of wording, but not of substance.

Q. These specifications provide for two classes only: one is rock, and the other is material that can be removed by a dredge?—A. This dredging classification has not that; it is more explicit than the construction.

Q. In the one we have here, it has just the two classes, rock and——A. That is my own specification; that refers to my own specification in this special case.

Q. That is the case I am speaking of.—A. I explained that in the case of a dredging contract alone the specification is more explicit.

Q. This is a dredging contract, is it not?—A. No, this is a building contract.

Q. The one you used in this case? I am speaking of the dredging in Victoria?—A. I did not consider this a dredging contract, as the bulk of the work is building. It is a construction contract.

Q. At any rate, touching the dredging part of it, there was just the two classes, rock and material that could be removed by a dredge?—A. Yes.

Q. Now, dredges differ very materially in removal power, don't they?—A. Certainly.

Q. There are certain dredges that can take a certain kind of material, and another dredge could not take it?—A. Yes.

Q. Is that not a very loose provision in the specification, and does it not invite disputes?—A. The fact is, as a result of my experience in the Department, we have this matter of disputes upon classification no matter how the specification is read.

Q. Would it not be an improvement to define the character of the dredge? The contractor is in a position under this specification, as I understand it, to say: "The specification says 'a dredge'; my dredge will not remove it, therefore it is rock; therefore I am entitled to \$9 a yard instead of 50 cents." Doesn't it rather invite a dispute of that kind?—A. My experience is that no matter how it reads, you will still have disputes.

Q. Would it not be wise to attempt to avoid as many disputes as possible?—A. That is what we try to do every day.

Q. Now you received a letter from Mr. MacLachlan, the resident engineer, which he wrote on the 20th of August?—A. Yes.

Q. In that letter Mr. MacLachlan says to you, amongst other things, that, "one dredge has been employed for some time removing the overlying mud, silt and underlying material, and later a much more powerful dredge. The attempts of both dredges to remove the underlying material were not successful. A very up-to-date boring machine is now engaged in drilling and blasting the material, which appears to be a conglomerate and in its original state cannot be removed by a dredge. I, therefore, subject to your approval, classify same as rock and hope this will be in accordance with your views." You got that letter?—A. Yes, sir.

Q. Of course, that asks for instructions as to whether he was right in this classification?—A. Yes.

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Q. I understand that your only answer to that letter was to send Mr. Valiquet out?—A. Not the only answer. After referring the matter to Mr. Valiquet to communicate to Mr. MacLachlan, I sent Mr. Valiquet out at the request of the Minister.

Q. You told the Minister about it?—A. Yes.

Q. And you sent Mr. Valiquet out?—A. Yes.

Q. And he reported to you on the 9th of December, that, in substance, everything was all right, and to so classify it?—A. Yes.

Q. Because he says in his letter, among other things,

“After obtaining personally this information, I wired you as follows:—

‘Am satisfied that classification of dredging allowed at Victoria piers is correct according to specification. Would recommend that removal of blasted rock, amounting to about six thousand yards, to complete dredging and ordered to be stopped a few days ago, be authorized to be resumed.’”

It was ordered to be stopped by reason of these complaints?—A. Yes.

Q. You sent a man out in answer to MacLachlan's letter. He reports to you that, after personal examination, he finds the classification that is being made by MacLachlan to be correct?—A. Yes, sir.

Q. He recommends that the balance be removed of 6,000 yards?—A. Yes.

Q. Is that not a complete justification for MacLachlan to continue to so classify this material?—A. No, sir.

Q. MacLachlan says in effect: I am in doubt about it. You send a superior officer out, and he reports to you that it ought to be done. I suppose that that report was conveyed to MacLachlan, that is Valiquet's finding?—A. I do not think it was, sir.

Q. You do not think it was? Don't you think that would be a very loose way of doing it? Here is a resident engineer asking you for instructions, who says: I am not quite sure about it. You send a superior officer out, who reports to you that Mr. MacLachlan is doing what is right. And you think that information was not conveyed to MacLachlan?—A. Mr. Valiquet may have sent a copy of his report to MacLachlan for all I know.

Q. Was it not your duty as chief of the branch to do that?—A. No, because there was still some doubts about it.

Q. But Valiquet has no doubt?—A. We were in doubt even after Mr. Valiquet's report.

Q. Valiquet is sent out in answer to an invitation by MacLachlan for further instructions. He reports that what MacLachlan is doing is right. Did you or somebody else not communicate that to the resident engineer?—A. Mr. Valiquet may have.

Q. But you do not know whether he did or not?—A. And you must notice, sir, that that investigation was made on the rush.

Q. Yes, but the estimates were not made on the rush.—A. That was decided by Mr. St. Laurent's reports; afterwards there were still rumours that this thing ought to be further looked into.

Q. Then you kept on paying progress estimates while still in doubt. Is that what you want us to understand?—A. Yes, progress estimates.

Q. At \$9 per cubic yard instead of 50 cents, and you kept right on doing that before determining whether that classification was right or wrong?—A. Yes.

Q. Who was the man, you told us a few minutes ago, who certified concerning these progress estimates?—A. Mr. Chalifour.

Q. Is he an engineer?—A. No, he is an accountant.

Q. Under you?—A. Under me.

Q. What evidence has he before him when he certifies to these progress estimates, what does he do?—A. He goes by the contract.

Q. But the contract would not show him how much had been excavated. What

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information has he before him when he certifies that the contractors are entitled to so much money under the progress estimates?—A. He certifies the estimate that has been certified by Mr. Maclachlan.

Q. Has he any further evidence than that furnished by Mr. Maclachlan?—A. Nothing further.

Q. He would have in his possession, or he would have in the original estimate, the amount of work to be done on this job?—A. Yes.

Q. As I understand you, he would have control of this job from the beginning to the end?—A. Well, not to the end, the final estimate is made by myself.

Q. But while these progress estimates are going on he would know all the time that the estimate made by the engineer before the contract was entered into, was about 4,300 cubic yards, he would know that, would he not?—A. Yes.

Q. And he would also know from the progress estimates coming in that there were many times that quantity being returned as rock?—A. Well, yes, I should think so.

Q. Is not that the case?—A. Yes.

Q. He would not have any evidence before him to determine whether or not those progress estimates should be paid except that he got the certificate of the resident engineer?—A. The resident engineer is responsible for the classification.

Q. That is not what I am asking. Would he have anything before him at all, apart from that?—A. Apart from the estimates signed by the resident engineer?

Q. Apart from that he would have no evidence?—A. He would have no evidence.

Q. On the 20th August you became aware of a doubt in Mr. Maclachlan's mind as to how this material should be classified. Did you tell this man anything about that?—A. I beg pardon.

Q. Did you tell this man who certified to the progress estimates that there was a doubt about how this should be classified?—A. Yes, if I remember well, I read the letter to him. But he has to take the figures that the district engineer makes over his signature.

Q. What is the necessity of bringing it to him at all if he is bound to take the engineer's figures?—A. I would take them myself. I believe every one of my men means to be honest and true, and I believe they will never put anything over their signature which is not absolutely right.

Q. I would not do that when he says, "I am in doubt about that."—A. As to classification?

Q. Yes?—A. I cannot say, myself, as to the classification, I am not there.

Q. You would not accept the resident engineer's statement alone, when he says, "I do not know" right or wrong, and when he asks you for further instructions.—A. In this case we did send a man out there.

Q. Was it a proper thing for this man to certify to your progress estimates for September, October and November, three months, before ascertaining whether his classification is proper or not?—A. Mr. Chalifour cannot say whether the classification is right or wrong.

Q. Had you given any instructions to him not to certify to the progress estimates until it was determined whether the classification were right or wrong?—A. No, because we always have recourse in the final estimate to adjust anything that may have been found wrong during the progress of the work. We have the security of the deposit, we have the drawback, which is 10 per cent; the Department is amply guaranteed in each case until the final estimate is paid.

Q. But would it not be more convenient, more certain, and more satisfactory to make these inquiries as you go along, especially when attention is called to it?—A. I would be obliged to do that in each case, and I have not the time to do it.

Q. But you have several officers to assist you?—A. I have the man who certifies to it.



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Q. We have had three or four of your officers here?—A. Mr. Valiquet couldn't do that.

Q. But if you have not men enough to ascertain the facts when a question of this kind is raised, you could get more men?—A. That is a matter of opinion.

Q. Have you ever reported that you haven't officers enough in the Department to make these inquiries as the progress estimates went along?—A. Yes, I think I have.

Q. You have reported that you desired more officers?—A. I have asked for officers.

Q. And did you get all you asked for?—A. Well, no, not up to the present.

Q. When did you make application for additional engineers in your Department, and they were not provided?—A. I made an application, not a formal written application, I just asked the Minister about it and he promised me that I should have them.

Q. When?—A. About two years ago.

Q. Did you tell him you hadn't a sufficient force in your Branch?—A. Yes, and he told me to look around for the men. I may say I found two men I was willing to take into the Department, but I could not get any more.

Q. Those two men were appointed?—A. They were appointed.

Q. All that you have asked for you got?—A. No.

Q. You asked for more than two?—A. Yes.

Q. How many more?—A. Two more.

Q. And you haven't got them?—A. I haven't got those two.

Q. You haven't got them because you have not been able to get the men you wanted?—A. Yes.

Q. How long ago was it, when you made application for the four?—A. At the same time I got the two.

Q. And from that time on you have only been able to find two—A. Yes.

Q. And they were appointed?—A. Yes.

Q. And you did not, as I understand you, Mr. Lafleur, inform this man that he should not certify to these progress estimates until this matter of classification had been determined?—A. No sir, I did not.

Q. Had you any communication with Mr. Valiquet after he came back?—A. Yes, he made his report which is addressed to me.

*By the Chairman:*

Q. That report was intended to be final?—A. If we had not received further rumours.

Q. You received this report from Mr. Valiquet. Had you any conversation with him about it after you received it?—A. Not that I remember: I received the report.

Q. Did you tell him then to go on and instruct MacLachlan to classify this material as he has been doing?—A. I do not remember giving any such orders.

Q. What did you say to Valiquet about it?—A. I thought that the matter was all right, for the time being at any rate, until we got further rumours in the Department that there was still a doubt, and that is why Mr. St. Laurent was finally sent.

Q. But you had no doubt when you got this report from Valiquet because he makes it very definite.—A. No, there was no doubt in my mind then.

Q. Did you not give instructions then to notify Mr. MacLachlan to go on as he had been going?—A. No.

Q. You did not give him any instructions after you got this report from Mr. Valiquet?—A. I don't know what Mr. Valiquet did.

Q. But as the head of the Engineering Branch of the Department was it not your duty to tell Mr. Valiquet what to do?—A. It might be that it escaped my attention.

Q. It might be that it escaped your attention, a trifling matter of this kind. So that no instructions were given to MacLachlan?

MR. EUGENE LAFLEUR.



## APPENDIX No. 1

The CHAIRMAN: He says a copy of Mr. Valiquet's report might have been sent to Maclachlan. If so, it would be a corroboration of what he had been doing.

*By Hon. Mr. Crothers:*

Q. Now, about these personal letters. Is it a practice in your Department for one official to send a personal letter to another on a public matter of this kind?—A. I often do it, sir, so as to avoid official correspondence as much as possible. I want facts. The only thing I want is facts.

Hon. Mr. CROTHERS: But the public want all the facts too, and they are paying for them. Here is a very important question that is raised, and it is dealt with by a personal letter. I think that is all I want to ask you.

*By Mr. R. A. Pringle, K.C.:*

Q. I want to ask you one or two questions, with the consent of the Committee. I suppose it is well known among engineers that the term "rock" loses its technical geological meaning and is used to cover other hard materials which require to be bored and blasted and treated generally as actual rock?—A. Yes.

Q. That is well known among engineers. Now, then, Mr. Maclachlan, being the Resident Engineer, was the one really who had to classify, subject of course to the final say so of the Chief Engineer of the Public Works Department? At any rate that was his responsibility?—A. Certainly.

Q. To make the classification. Then, Mr. Maclachlan having made the classification and having written you on the 20th August, you did not tell him not to go on with that classification?—A. I did not, sir.

Q. No question was raised about it? The assumption was that Mr. Maclachlan was acting correctly?—A. The assumption was with myself that there had been some kind of an agreement between Mr. Valiquet and Mr. Maclachlan when Mr. Valiquet was in Victoria.

Q. I am not very much interested after Mr. Valiquet was out there, because I don't think anything was paid subsequent to that date. Now, the specification calls for two prices: one rock, \$9, and the other earth, 52 cents. You would not expect that conglomerate material to be removed at 52 cents a yard, would you?—A. If it was really a conglomerate, no.

Q. Consequently it had to be classified as something other than earth to be fair to the contractors. I am advised rightly or wrongly, that it cost more to excavate this conglomerate than it did to excavate solid rock. That I do not suppose you can speak of. The Resident Engineer can speak of that when he is called. What I want to get at is this: your specification unquestionably calls for a dredge, as it reads: "All materials overlaying the rock that can be removed with a dredge shall be considered as earth." Now, who has the selection of the dredge? Has not your Resident Engineer the selection of the dredge?—A. If there is a more powerful dredge in the locality he should certainly select it.

Q. Let us see what Mr. Valiquet's position is. He is the Superintending Engineer in the Department of Public Works, is that correct?—A. Yes, sir.

Q. Mr. Valiquet is sent out there and he selects a dredge for the Public Works Department. He gets the dredge. I understand that he got the dipper dredge. He made the selection of the dredge that was to make the test. That is correct, is it not?

The CHAIRMAN: He says so in his report.

Q. Yes; he got the dredge. Now, you having got a dredge and having made the test, was that not about as far as you could go?—A. As far as we could go at the time, until further rumours reached us that the thing was not all right.

Q. Then would you say that even if you, as a Department, make the selection of the dredge, make the test and make the report, that is not binding on your Department?—A. Binding until we got further information.

Mr. EUGENE LAFLEUR.

Q. If you thought the dredge was sufficient and made the test, surely that ought to be satisfactory? Why did you make the selection of the dredge?—A. Mr. Valiquet used that dredge, I suppose, because it was the only available dipper dredge at the time.

Q. Didn't you know that it was the best dredge on the coast, owned by a private company, the largest, most capable dredge that could be found on that coast owned by a private company?—A. That may have been the case.

Q. And Mr. Valiquet, going out for the purpose of seeing whether this classification as made by MacLachlan was correct or not, selects this dredge, he takes it over, he makes the test, and makes his report. That is all I wanted to ask.

Mr. CARVELL: Just one question. Would Mr. Barnard please tell me the date of the letter from MacLachlan to Mr. Valiquet?

Mr. BARNARD: 10th September, I think.

Mr. CARVELL: And Mr. Valiquet's letter to MacLachlan was dated the 30th August?

Mr. BARNARD: MacLachlan's first letter was dated the 20th August, Valiquet's reply was sent on the 30th August, and MacLachlan's answer on the 10th September.

Mr. CARVELL: That answer would be back here on the 16th or 17th September?

The WITNESS: Yes.

*By Mr. Carvell:*

Q. You say you never saw the letter, but did Mr. Valiquet tell you anything about the contents of that letter?—A. As far as my recollection goes, I never saw or heard anything about that letter until two days ago.

Hon. Mr. CROTHERS: Which letter are you referring to?

Mr. CARVELL: The answer Mr. MacLachlan sent back to Valiquet, the private correspondence.

*By Mr. Carvell:*

Q. Did you say to the Minister (Mr. Crothers) that you had at one time spoken to the accountant about the letter of the 20th August?—A. Yes, my recollection is that I showed him the letter.

Q. The accountant?—A. My own accountant.

Q. As the chief, did you give any instructions?—A. Calling his attention to it in that way was sufficient. I did not give him any absolute instructions.

Q. Well, Mr. Lafleur, let us try and be consistent. You say it excited no suspicion in your mind?—A. This letter, as I said before, excited the suspicion in my mind that there was something about, as I said, from 10, 15 or 20 per cent over the specified amount of excavation to be done in rock, and the fact is that at the time of that letter there was only still about that 15 per cent more.

Q. Well, then, for some reason or other, you took it to the accountant. Did you tell the accountant the suspicions that had been created in your mind?—A. Not that I remember, sir.

Q. Did he tell you what his interpretation of the letter was?—A. Not that I remember.

Q. So far as you know, was the private correspondence which has been produced here by the member for Victoria submitted to the accountant?—A. I do not think so, sir, that would not be submitted.

Q. It would not be?—A. In the ordinary course of business that would not be submitted to him.

Q. The accountant was entirely in the dark excepting that you had shown him the letter of the 20th of August, as far as you know?—A. Yes.

Mr. EUGENE LAFLEUR.

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*By the Chairman:*

Q. But he would have on his file the original estimate of 4,000 yards, while at this time it was 18,000 yards?—A. I suppose it must be borne in mind that the real quantity, instead of being 4,000 yards, was 13,000.

Q. He did not know anything about that?—A. He did not know that.

Q. So far as he was concerned, it was 4,000 yards, while 18,000 yards had actually been taken out. If that did not raise a suspicion—it was increased over 400 per cent—how much do you think it would take to raise a suspicion if 400 per cent would not do it?—A. Is that a fair question, Mr. Chairman?

The CHAIRMAN: Any other questions?

Witness discharged.

Committee adjourned.

## HOUSE OF COMMONS,

COMMITTEE ROOM No. 301,

FRIDAY, March 31, 1916.

The Select Standing Committee on Public Accounts met at 11 a.m., the Chairman, Mr. Middlebro, presiding, and resumed the consideration of certain payments to Grant, Smith & Co., and Macdonell, Limited, in connection with dredging at Victoria, B.C.

An envelope received by registered letter addressed to the Clerk of the Committee from Victoria, B.C., was handed by the Chairman to Mr. Carvell.

Mr. CARVELL: (After examining contents of envelope) I presume these are the documents which were asked for. I have not had a chance to examine them. However, we will leave them with the Clerk of the Committee and will peruse them when more convenient.

The CHAIRMAN: The Clerk will take charge of those documents.

Mr. CARVELL: They seem to be the documents we had in mind.

The CHAIRMAN: There is a covering letter there, I do not know whether it is addressed to me or not. Perhaps I had better read this letter. (Reads.)

COUNTY COURT, VICTORIA, B.C.

March 24, 1916.

The Clerk of the Public Accounts Committee,  
Parliament Buildings,  
Ottawa.

## MALLORY vs. McDONALD.

SIR,—As requested by your telegram of an even date herein I beg to advise you that I am enclosing all papers in the above matter deposited in the Court. These article were sealed up in the presence of Counsel for both parties and are enclosed in the same condition.

Acting on instructions recently issued I must request you to forward the sum of 37 cents being the amount of postage.

I have the honour to be, sir,

Your obedient servant,

(Sgd.) HARVEY COMBE,

*Registrar per O. B.*

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Mr. CARVELL: I might state that the document which I have just opened was covered with seals. I see here the initials "H.C." and something else and "S. F. Weston." Anyway, it is evident, Mr. Chairman, these are the originals.

(Documents handed to the Clerk for safe keeping.)

Mr. R. A. PRINGLE, K.C.: Mr. Chairman and Gentlemen, before entering on the examination of witnesses this morning, with the permission of the Committee I would like to say a word and I will not detain you for more than a minute or two. I appeared before this Committee on March 6, but, unfortunately, I have not been able to appear since, except at the last meeting of the Committee. I have gone over the record in this case and there are one or two things that have struck me, which I think the Committee should consider. In the first place I do not see that the contract and specifications have been put in as part of the record. I think it is just as well they should be put in because I think a great deal will turn on that. It is abundantly evident from the specification that there are only two classes of material, there is "earth" and "rock". Now a great deal of stress seems to have been laid on the latter portion of Section 23, which covers excavation, but not very much stress on the first portion. The first portion reads in this way, "The material to be excavated consists of earth and rock which shall be removed separately by two operations ordinary dredging and blasting." Ordinary dredging evidently referred to earth, and blasting to rock. Now, apart from anything else it is necessary to take all the contract in order to interpret it and to get at the meaning of the specification. But apart from all that we have Section 6 of that contract which specifically sets out how the contract shall be construed, that is the several parts of this contract shall be taken together to explain each other and make the whole consistent. It strikes me that the proper interpretation is that the material is to be removed in the course of "ordinary dredging"; if I am right in that then Mr. St. Laurent's report is not based on that, it is not based on "ordinary dredging". His report is based on something away beyond ordinary dredging. What has struck me in regard to the specification is this, the specification only provides two classes of material, "rock" and "earth". The engineer said at the last meeting that no one could expect to get that conglomerate excavated for the same price as earth. Well, if it cannot be classified as earth then the only other classification possible is as rock.

Hon. Mr. CROTHERS: It is clear, according to the expert testimony that what is known generally as conglomerate is rock?

Mr. PRINGLE: Well, even supposing it is not conglomerate, but material which was blasted, the Chief Engineer said that he could not expect that to be moved for 52 cents.

Mr. CARVELL: Pardon me, he said that there were but two classes of material, and that this could be moved by a dredge.

Mr. PRINGLE: Mr. Lafleur, when asked a question said that it could not be done. This specification is a very old one which has been in use by the Department for some years. Some years ago the specifications were changed and if the new specification had been adopted we would not have had this question arise, because in the new specification the material would be provided for in class A, B, C, etc., but that specification was not brought into this contract.

Hon. Mr. CROTHERS: I understood Mr. Lafleur to say there had been no change in the last seven years.

The CHAIRMAN: You mean to say with regard to contracts for dredging.

Mr. PRINGLE: There are different grades now, class A is solid rock requiring drilling or blasting and boulders containing two cubic yards or more—

Mr. MCKENZIE: Does the counsel mean to say that this committee intends to overrule the decision of the engineer? I understand that all these contracts, as to classi-



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fication are subject to the final disposition of the chief engineer or some engineer. I would not suppose that we are called upon to overrule the finding of that engineer. I would not feel myself, as one member of this Committee, competent to pass judgment; if the chief engineer says that such and such belongs to a certain classification I would not feel competent to overrule him. As I understand the learned counsel's argument, he seems to say we would overrule him.

The CHAIRMAN: I think the one thing he did say was that the Chief Engineer had said that while there are only two hard and fast classifications there they sometimes compromise in their own way by allowing a man something extra for material which might be classed as earth under this specification but which really costs more to take out than earth. Mr. Pringle was speaking of it more as a matter of equity than actual law.

Mr. PRINGLE: Mr. McKenzie might understand our position when I tell him that Grant Smith & Company are not in any way accused of wrong-doing. We sublet this contract at certain prices, we received the money upon our estimates, and we paid it over to the sub-contractors. Now there is a difference of somewhere approximating 5,000 cubic yards, and if we are to lose that we would lose, approximately, \$30,000. Now in regard to the point which Mr. McKenzie has raised, and which is a proper point, when you turn to this specification I notice that section 45 contains this language; "The engineer shall be the sole judge of the work and materials in respect both to quality and quantity." That is quite true. Who is the "engineer"? Now in the interpretation clause we find that it is the Chief Engineer, "or anybody that he delegates authority to." Then it is made clear again in section 18, in which it says, "the term engineer used throughout the specification means the Chief Engineer of the Department of Works or his accredited representative." On the 20th of August the Engineer notified the Chief Engineer that he proposed to make a certain classification. A letter is returned practically endorsing that classification and he did just what Mr. Davy said he would have done under similar circumstances, that if under ordinary circumstances the dredge could not do it he would report as Mr. MacLachlan did. Then the Chief Engineer sends his accredited representative in the person of Mr. Valiquet; Mr. Valiquet makes a report confirming the engineer's estimate. Now it may be said that there is a clause in here by which the Chief Engineer could get over that at the close of the work. But it is absolutely clear that the Chief Engineer made Mr. Valiquet his accredited representative, and Mr. Valiquet, as the Chief Engineer's accredited representative goes out there and he certifies that Mr. MacLachlan has made a proper classification. I am just bringing this to the attention of the Committee because it strikes me that these clauses are very important and should be considered in dealing with this matter. We are the goat, so to speak, we are the ones who are going to suffer by the loss of this money, because the sub-contractors, as I understand are not responsible and I do not suppose we can recover it from them.

With regard to that classification, as it is now, any engineer will say, and I have spoken to one or two competent engineers, that it would be far better to have some classification there under which with such material as this, which is not absolutely rock, there would be some way of compensating for it at a fair price instead of putting it in altogether as earth at 52 cents.

The CHAIRMAN: You think there should be an intermediate class of material?

Mr. PRINGLE: I think this is a matter of compromise, that a man should be able to go there and say what this material is worth.

The CHAIRMAN: Unfortunately there is nothing providing for that in this contract.

Mr. PRINGLE: I say that anything which cannot be removed by an ordinary dredge should be classified as rock.

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The CHAIRMAN: I suppose the specification and contract ought to go on the record.

Mr. CARVELL: I thought they were in evidence.

Mr. PRINGLE: They are not in.

Mr. CARVELL: We have been discussing and treating them as part of the record and I have no objection to making them a part of it. Now, I have just one word to say in reply to the general comment of my learned friend. He is always interesting and, I think, always tries to be fair. Of course he is discussing this matter from the standpoint of his clients who are the main contractors and who may, I can very well understand, find themselves in an unfortunate position, that is, that they have received money from the Government, a large proportion of which they have paid over to their sub-contractors and, should the classification of Mr. St. Laurent stand, possibly they might not be able to get back a portion of that money from the sub-contractors. I stated on one previous occasion to the members of this committee that we are not here to find fault with the main contractors. I desire to repeat that now, subject to this one qualification: The main contractors evidently knew what was going on in Victoria. I will be able to furnish proof to the committee that the main contractors tried to stop it. But they tried to stop it in the wrong place. They went to the sub-contractors and cautioned them that there was going to be trouble about this thing, but they should have gone to Ottawa and tried there to stop this unfair transaction. I do not wish to make any unfair comments upon the attitude of the contractors, but I do say, in view of the evidence I propose to bring out, they were negligent in that matter and that it would have been more to their credit if they had tried to stop it at Ottawa instead of at Victoria. In regard to the question of classification that is as old as the hills, I don't think there has ever been a public contract in my time that there has not been trouble about the classification. My learned friend will remember that we had a great deal of talk about classification in this committee and in Parliament during the construction of the Grand Trunk Pacific Transcontinental Railway, and there we had three classifications; and it was threshed out by eminent engineers all over the continent. And so much were some engineers impressed as to the necessity of having only two classifications that, when the next big work was undertaken in my province in railway construction, they dropped down to two classifications, to practically the same as these, only there they call it "rock" and other materials." So you see it is a moot point. Some engineers may say it is best to have two, and others that it is best to have three or four. I think the trend of the profession has been downward rather than upward. I can remember when they had at least four different classifications in railway work. However, this committee is not in a position to pass judgment upon what is a proper or improper classification; we can only get at the facts of the case, and it is up to the Government to take whatever course they think proper in dealing with the contractors in the end. I would ask that Mr. Mallory be called.

Mr. BARNARD: Before you begin to examine Mr. Mallory. Mr. Carvell, I think there are some telegrams which passed between the Minister of Public Works and myself that I would like to put on the record here.

Mr. CARVELL: I have no objections.

Mr. BARNARD: They are not verified in any way.

Mr. CARVELL: We will take your word for that.

Mr. BARNARD: The first one is a code telegram, dated 22nd of October, which is translated as follows:—

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VICTORIA, B.C., October 22, 1915.

Hon. ROBERT ROGERS,  
Winnipeg, Man.

Statements brought to our notice regarding classification on dredge work connected with pier contract call for immediate investigation. Suggest you send competent departmental engineer to investigate and that meanwhile Engineer McLaughlin be instructed to refuse to allow contractor to dump more dredge material. Information points to serious situation. On no account mention matter to any Western Government official whatsoever.

BARNARD AND GREEN.

The next is a telegram from George Buskard to K. G. Spangenberg, Ottawa, dated Winnipeg, Man., October 23, 1915.

See chief engineer and have him send Valiquet or some other equally reliable and capable engineer immediately to investigate and report on classification on dredge work connected with pier contract at Victoria. Also have him wire Engineer McLaughlin to refuse to allow contractor to dump more dredge material pending result of investigation.

Mr. CARVELL: Will you state again who exchanged that telegram?

Mr. BARNARD: It was from one of Mr. Rogers' secretaries to the other. It was from Mr. Buskard, who was with the Minister in Winnipeg, to Mr. Spangenberg in the Minister's office at Ottawa. The reply from Ottawa was as follows:—

OTTAWA, ONT., October 23, 1915.

GEO. BUSKARD,

Royal Alexandra Hotel, Winnipeg, Man.

Message received. Chief engineer will have Valiquet leave on Monday.

KARL SPANGENBERG.

The next telegram is from Winnipeg, dated October 24, 1915, addressed to G. H. Barnard and R. F. Green, Victoria:—

Your message received. Have taken action in accordance with your request; McLaughlin has received instructions and Valiquet, one of our best engineers, is leaving to-morrow for your city to make investigations.

R. ROGERS.

The next telegram is as follows:—

OTTAWA, ONT., Nov. 5, 1915.

The Hon. ROBERT ROGERS,  
Winnipeg, Man.

Chief Engineer has received following telegram from G. H. Barnard, M.P.: "Valiquet informs me classifications satisfactory as only reason for requesting stoppage of dredging was that position should not be changed pending his arrival see no object refusal allow them proceed unless you intend further investigation delay is only adding expense"; stop. Also had telegram from Valiquet confirming this. Will he order work to proceed.

G. F. BUSKARD.



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The next is a telegram from the Chief Engineer sent from Ottawa to Mr. J. S. MacLachlan on November 6.

OTTAWA, November 6, 1915.

To J. MACLACHLAN,  
Resident Engineer,  
Public Works of Canada,  
Victoria, B.C.

Work of dredging Victoria may be proceeded with.

CHIEF ENGINEER.

I may say, in explanation of those last two telegrams, that the contractors claimed they were paying, I think they said, \$50 an hour hire for the dredge.

Mr. CARVELL: An hour?

Mr. BARNARD: I think that is what they said, I am not positive. Do you know, Mr. MacLachlan, what that figure was.

Mr. J. S. MACLACHLAN: I do not remember.

Mr. BARNARD: They were laid off for something like a week before Valiquet went there, and they stated they were being damaged to the extent of \$5,000 or \$6,000 for dredge hire during the time she was on the work and could not be used. The object in wiring down was that if they were not going to make any investigation, they might let them go ahead, and so stop any question of expense at that time.

Mr. G. E. MALLORY called, sworn and examined.

*By Mr. Carvell:*

Q. Where do you reside, Mr. Mallory?—A. Vancouver.

Q. How long have you been there?—A. I have been in the city about a month, in the province about ten years.

Q. Where was your home prior to going West?—A. In Colborne, Ontario.

Q. Have you had an engineering experience?—A. I have been resident engineer on railroad construction work, and had experience of power construction work, for the last nine years.

Q. Then you have been in the engineering construction business for at least nine or ten years?—A. Yes.

Q. Did you have any position with reference to the construction works in Victoria harbour in the summer of 1915?—A. I was superintendent for C. E. Macdonald.

Q. Who was C. E. Macdonald?—A. C. E. Macdonald was a sub-contractor for Grant, Smith & Co. and Macdonnell.

Q. When did the work commence?—A. On or about June 10, 1915.

Q. Now, did your employer, Macdonald, have anything to do with the construction of the piers, or was he only interested in the dredging?—A. He had nothing but the dredging, both rock and earth.

Q. Who or what firms were constructing the piers?—A. Grant, Smith & Co. and Macdonnell, as far as I know.

Q. They were doing it themselves, you think?—A. Yes.

Q. Did they have any person there representing them?—A. Mr. Bassett was the general manager.

Q. Was Mr. Bassett there?—A. I saw him there nearly all the time, yes.

Q. Did he have anybody under him again?—A. There was an engineer, MacLachlan, who was on the work.

Mr. G. E. MALLORY.



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Q. Are you speaking now of the Maclachlan who was the Government engineer?  
—A. No.

Q. This is another Maclachlan?—A. Yes.

Q. I see. Was there anybody else in there, so far as you know, who was representing the main contractors on the work?—A. Well, Mr. Maclachlan used to deal with me and C. E. Macdonald for Mr. Bassett, but Mr. Bassett was the only one in direct charge.

Q. What was the nature of the work which was commenced on the 10th of June?  
—A. Dredging with the clam shell dredge, *John E. Lee*.

Q. Just describe this clam shell dredge, give us its capabilities just as well as you can?—A. It was about the largest clam shell dredge in British Columbia, in fact it was the largest. It had a three-yard dipper; in loose sand or gravel or river silt it would dig about 2,000 yards a day, but it would not dig anything in the nature of packed earth.

Q. Why not?—A. Because it is not made for the purpose.

Q. This clam shell dredge is not intended for that kind of work?—A. No.

Q. A clam shell dredge is one with two dippers which hinge at the back and come together, is that the idea?—A. Yes, it just dredges, it has no power to grab.

Q. It has no power to push, is that the idea? There is not power to drive it into the earth and dig it up?—A. No.

Q. Tell us how they got along and where they started in, where they worked and all that?—A. I think they started in section 1, that would be between the breakwater and what we call pier 2.

Q. Have you the plan that has been put in evidence? Just refer to it, if you please?—A. That would be it (indicating on plan).

Q. You are referring now to the plan that is already in evidence?—A. Yes.

Q. And you are calling it "section 1." That would be northeast of pier 1?—A. That would be between the breakwater and pier 2?

Q. That is below pier 1?—A. Pier 1, I would say, is the breakwater itself.

Q. Then comes a slip, and then pier 2, then a slip, and then pier 3?—A. Yes.

Q. And back of these slips and piers are what you call the bulkheads?—A. The bulkheads.

Q. Was any dredging done for the foundations of the bulkheads?—A. Yes.

Q. Now, Mr. Mallory, did your duties bring you in contact with this work so that you would see where they were working, what they were doing and how much was dredged?—A. I was on the work two months, and I do not think I missed two days.

Q. What do you mean by "missed"?—A. That I was off the work, and could not see what was going on.

Q. Then you mean to say you were actually on the dredge and on the work?—A. I was on the work, and for a time on the dredge.

Q. During those two months?—A. Yes.

*By Mr. Pringle:*

Q. You are speaking of the *John E. Lee*?—A. The *John E. Lee*.

*By Mr. Carvell:*

Q. Now, let us see how much of a crew did the *John E. Lee* have?—A. About five men, four or five men to the shift.

Q. And they ran two shifts to the day, did they?—A. Yes.

Q. That would be, say, ten men?—A. Yes.

Q. Then there would be some power required, I suppose, how much power did they require? What was the capacity of the boiler?—A. I do not know, I never inquired particularly.

Q. Is it a very big affair?—A. Oh, yes, it is a good sized one.

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Q. How much coal would it take?—A. It would burn ten barrels of oil per day, fully.

Q. It is burning ten barrels of oil per day, is that what they call fuel oil?—A. Yes.

Q. All right, we can easily figure it out from that. They took ten barrels of fuel oil a day and they had ten men. How many gallons would there be in a barrel of oil?—A. I could not answer that.

Q. You are not sure?—A. No.

Q. How much do you pay for the gallon?—A. I think it was \$1.10.

Q. Per gallon or barrel?—A. Per barrel.

Q. That would be around \$11 per day, then, for the fuel?—A. Yes. I might say that some days it might have run fifteen barrels when running hard.

Q. You think \$15 would be the outside cost of fuel?—A. I should think it would.

Q. What wages did they pay the men?—A. \$2.50 per day for the scow hands and \$125 a month for the second engineer, and \$150 for the first engineer.

Q. Well, would fifteen dollars a day cover the shift? That would be about \$3 average, would that be fair?—A. About \$20.

Q. That is for both shifts or for one?—A. For one shift.

Q. That would be \$40 a day wages for both shifts and \$50 per day would be the total cost for operating that dredge?—A. Yes, but there would be the tug and scows.

Q. You would have tug and scows as well?—A. Yes.

Q. How much would be the cost per day of those?—A. It would cost \$35 per day.

*By the Chairman:*

Q. For wages?—A. I mean the rent of the tug with the crew included would be \$35 per day.

*By Mr. Carvell:*

Q. For the use of the tug?—A. Yes, for the use of the tug.

Q. And how much would be the rent for the scows?—A. One was \$5 per day and the other was \$7.50.

Q. Now what was the cost of the labour employed on the tugs?—A. I do not know, the men from the tugs looked after the scows.

Q. And what about the tugs?—A. They looked after themselves, they were not employed by C. E. MacDonald. The tug was rented by the day, crew included.

Q. That included the crew?—A. Everything.

Q. And the fuel and all that?—A. Everything.

*By the Chairman:*

Q. What did Mr. MacDonald pay for the dredge? I suppose he had to pay something for that didn't he?—A. Yes.

Q. How much?—A. I think it was \$500 per month—\$500 per month.

*By Mr. Carvell:*

Q. Now can you tell this Committee how much it would cost a day, week or month, for running that operation as it was in the month of June?—A. Give you the amount?

Q. Approximately. I do not expect you to get down to \$1 or \$5, but approximately.—A. No, I do not think I could, it is among those papers.

Q. These papers here?—A. Those papers you were handling.

Q. Well, we will not take up the time now, but we will look it up later on.

*By the Chairman:*

Q. You said the dredge was rented for \$500 a month, and did he have to keep it up and make any repairs as well?—A. Oh, yes.

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*By Mr. Carvell:*

Q. Now what success did you have with the clam shell dredge around what you call section 1?—A. That area was dredged almost entirely, with the exception of solid rock in place, by the dredge *Lee*.

Q. By the dredge *John E. Lee*?—A. Yes.

Q. And how did you make out in the second section?—A. In the second section we dredged the entire top, probably for a depth of five feet, four or five feet, and made a cut on the last day that the dredge was on the work, this is the *John E. Lee*, they made a cut right through the centre, worked down to grade, the entire way.

Q. With a clam shell dredge?—A. With a clam shell dredge.

Q. Did you have any difficulty in doing it?—A. It was hard material, but wasn't material that would be gripped by a clam shell, but as it was no use going all over the work trying to get a scow load of material from the loose stuff on top I instructed the man on the dredge to dig right through the grade and see what he could do with it.

Q. And he did so?—A. He did it.

*By the Chairman:*

Q. What do you mean when you say "to grade"?—A. A depth of 35 feet.

*By Mr. Carvell:*

Q. Now we come down to the end of June when there was an estimate made up—before the end of June had there been any drilling done for rock?—A. No.

Q. You are sure of that now?—A. Absolutely.

Q. And was there an estimate made for the month of June at the end of June—A. Yes.

Q. Now, Mr. Mallory, the Auditor General produced the progress estimates of the main contractor to the 30th day of June, 1915, and there they claim payment for 17,109 cubic yards of earth at 52 cents a yard, and 864 cubic yards of rock at \$9.10 per cubic yard. How much rock had been excavated by the last day of June?—A. Not more than 50 yards, and they were boulders that had been brought from the inner harbour and dumped just a few feet inside the line; it was by accident, however, they got there.

Q. In connection with the harbour operations?—A. Yes.

Q. And who was the resident engineer?—A. J. S. MacLachlan.

Q. You were aware of this condition of affairs?—A. Yes.

Q. Do you know whether there had been any more than fifty yards of rock removed?—A. There was not, no.

Q. Did you ever talk this over with him?—A. Yes.

Q. How do you account for the fact that an estimate was given for 864 yards of rock when practically no rock had been removed?—A. Well, it was to assist the contractor, that is often done for the first two or three months to help him along.

Q. Then to put it in plain language it was not intended to steal from the Government, but to get a "forced loan"?—A. I would like to say as far as the first month is concerned that if anything had not happened in the succeeding months that it is customary for the engineer to give the contractor a loan in the first month.

Q. A "forced" loan from the Government?—A. Yes, not to any great extent, but it is customary to give the contractor a boost the first month.

*By Mr. Barnard:*

Q. What would be considered a "great extent"?—A. Well, it is always understood by the engineer who uses common sense, and not too much theory, that the contractor has always a lot of unusual expenses, that he cannot expect to receive payment for a time and that is just to assist him.

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Q. I take it under similar circumstances you would not hesitate to do the same?—  
A. Under similar circumstances for the first month I would have kept the yardage down, I might say I would have given a few hundred yards but not much.

Q. You have no fault to find, then?—A. I have no particular fault to find with that rock yardage for the first month.

*By Mr. Carvell:*

Q. But have you any fault to find with the total quantities removed?—A. No.

Q. Well, the total quantities are put at 18,000 yards?—A. That is the classified quantity; it is the classified quantity I have objection to.

Q. You think there was 18,000 cubic yards removed in the month?—A. No, there were about 13,000 cubic yards; 13,000 yards is the entire amount removed that month.

*By Mr. Barnard:*

Q. Out of that 13,000 yards how much was rock?—A. Fifty yards.

Q. And what was returned?—

Mr. CARVELL: 17,109 yards and 864 yards.

*By Mr. Carvell:*

Q. Then in other words there was not only an excess of rock returned but an excess of total quantities to the extent of 5,000 cubic yards?—A. Yes.

Q. Did you have any talk with Mr. MacLachlan about that?—A. No.

Q. Have you any records of what took place during the progress of this work?—  
A. Yes.

Q. Have you them before you?—A. Yes.

Q. What is it you have before you?—A. A diary which I keep from day to day.

Q. Is it all in your own handwriting?—A. Yes.

Q. Was every item there put down approximately at the time it occurred?—A.  
Yes.

Q. What is your method of keeping that diary?—A. Taking notes on small pieces of paper and transferring them into the diary, and sometimes writing them direct.

Q. How promptly would you enter them up in the diary?—A. First time I went home, or in case the diary was there I entered it up the same afternoon.

Q. Then day by day it was entered up?—A. Day by day.

Q. Then by referring to this diary can you tell whether you had any conversation with Mr. MacLachlan about the June estimate?—A. Oh, I was in the office when the conversation took place with Mr. MacLachlan, I did not take any particular part in it.

Q. Was there any other person removing dredging material on that work excepting your principal Mr. MacDonald?—A. Not at that time.

Q. So that all the material removed, and all the material in this progress estimate that had been removed, was removed by MacDonald?—A. Yes.

Q. Now before I go any further with that branch of the case I want you to go back and tell me was there anybody in British Columbia immediately over Mr. MacLachlan?—A. In connection with the Department?

Q. With the dredging?—A. Oh, he reported direct to Ottawa, I believe so.

Q. That is your understanding?—A. Yes.

Q. What part does Mr. J. L. Nelson play?—A. He was superintendent of the Government dredges in Vancouver.

Q. Superintendent of Government dredges, but not of Government dredging?—  
A. Not of any contract work that I know of. He was Superintendent of the Government dredges.

Q. For how long did he occupy that position of Superintendent of the Government dredges?—A. Mr. Nelson?

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Q. Yes.—A. About two years, as far as I know. I do not know really.

Q. What had Mr. Macdonald being doing before he took this contract in Victoria harbour?—A. He had been a sort of superintendent under Mr. Nelson in the harbour, looking after Government dredges and drill boats in the inner harbour at Victoria.

Q. Now, did Mr. Macdonald have a partner in this business?—A. Yes.

Q. Who was it?—A. Mr. J. L. Nelson.

Q. That is the Superintendent of Government Dredges?—A. Yes.

*By the Chairman:*

Q. A partner in which business?—A. His sub-contract from Grant, Smith & Co.

*By Mr. Carvell:*

Q. Did any other person have an interest in it?—A. Yes, J. S. Maclachlan.

Q. Who was J. S. Maclachlan?—A.—The resident engineer.

Q. So the sub-contractor had the year before been in the employ of the Superintendent of Government dredges, and he had as partners the Superintendent of Government Dredges in Vancouver and the resident engineer on the work?—A. Yes.

Q. All right, we will go on. Will you go down to the 30th day of —

*By the Chairman:*

Q. What evidence have you of these partnerships, how do you know about them?—A. Well, I reported to Mr. Nelson, or obeyed his commands at any and all times in connection with the contract. And Mr. Macdonald instructed me on very many different occasions who his partners were.

Q. That is your employer?—A. Yes.

Mr. BARNARD: I didn't catch that last answer.

The CHAIRMAN: He said he was instructed by Mr. Macdonald to take instructions from Nelson.

*By Mr. Barnard:*

Q. Tell us what evidence you have that Maclachlan and Nelson were partners with Macdonald?—A. Mr. Macdonald told me on many occasions that they were his partners, and he told me to take any instructions from Mr. Nelson that he might see fit to give.

Q. Mr. Macdonald told you they were his partners. Is that the only evidence?—A. No.

Q. What else?—A. He also instructed me to make notes of different moneys that had gone to both these men.

Q. To make notes of moneys that had been given? Did you make them?—A. I did.

Q. Have you got them?—A. Yes.

Q. Have you got them with you?—A. I have.

*By the Chairman:*

Q. Contract moneys?—A. That were paid on account, so to speak.

*By Mr. Barnard:*

Q. That is notes you made in your books?—A. Yes; and if he produces his books you will find notes in them.

Q. Was Maclachlan ever present when Macdonald made this statement to you?—A. Oh, no.

Q. Why not?—A. He was supposed to have been nervous enough without anybody knowing anything. He did not talk about it in front of Maclachlan at all in connection with the business.

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*By the Chairman:*

Q. You do not say that you paid Maclachlan or Nelson Government moneys, do you?—A. Oh, no.

Q. Have you ever seen them getting money on account of this contract?—A. No.

Q. But you yourself know they got it?—A. Well, as an employee of C. E. Macdonald, I know by being instructed to make a note of it being paid out in a certain way.

Q. Have you the note there?—A. This is a copy of the thing here I took from the books.

Mr. CARVELL: We want the information too.

The CHAIRMAN: You were passing on without going into the details.

Mr. CARVELL: I have not the faintest objection to these questions in the world.

The CHAIRMAN: We want to know.

Mr. BARNARD: How would it be to let Mr. Carvell finish his examination and then cross-examine the witness?

Mr. CARVELL: I would rather like you to go on.

Mr. PRINGLE: There does not appear to be anybody representing Mr. Maclachlan. He has spoken to me in regard to this matter. I do not know whether you are governed by any rules of evidence in this Committee, but hearsay evidence is not admissible as evidence against Maclachlan. Mr. Maclachlan says it is absolutely made out of whole cloth. It is unfair to him to be under suspicion. He is now under suspension. We should have some rules of evidence in this matter.

Mr. CARVELL: You should address your remarks to the hon. member for Victoria. I am not the offender.

The CHAIRMAN: It is not evidence if a man comes here and says: Another man told me Maclachlan was guilty.

*By Mr. Barnard:*

Q. I would like to ask one more question. When you came to see me first about this matter in Victoria, why did you not produce evidence that Maclachlan was a partner of Macdonald's, or did you produce all that you had?—A. I did not produce evidence that was directly that Maclachlan got it. As I said, I did not see him get it; and I have no receipt or a thing of that description.

Q. That is a surmise on your part?—A. I was working under instructions from Macdonald to take notes to enable him to trace the disappearance of a considerable amount of money from his hands.

Q. He told you it had been given to Maclachlan?—A. Yes.

Q. By Macdonald?—A. By himself.

*By the Chairman:*

Q. Did you know that when you went to Mr. Barnard?—A. I knew when I went to Mr. Barnard, and told him so.

*By Mr. Carvell:*

Q. You went to Mr. Barnard over this transaction?—A. I did.

Q. Did you take that book to Mr. Barnard?—A. I did.

Q. Did you leave it with him?—A. No.

Q. Did he have an opportunity to examine it?—A. No.

Q. Did you read it to him?—A. I did.

Q. What date was that?—A. October 22, I think.

Mr. CARVELL: The same day the telegram was sent to Ottawa.

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The CHAIRMAN: That is the date of the first telegram.

Mr. CARVELL: We will have occasion to go back to that again.

*By Mr. Carvell:*

Q. Just to break in. Do you know anything about Mr. MacLachlan receiving a motor car?—A. Yes.

Q. From whom did he receive it?—A. C. E. Macdonald.

Q. And what amount was charged up to him?—A. One thousand dollars.

Q. Have you recorded that in that book?—A. Yes.

Q. You have it there?—A. Yes.

Q. It was in the book when you talked to Mr. Barnard?—A. Yes.

Q. That Mr. MacLachlan got a motor car valued at \$1,000 from Mr. Macdonald?—A. Yes.

Q. Was it wages?—A. On account.

Q. On account of what?—A. His interest.

Q. In the contract?—A. Yes.

Q. That is some evidence. Has he got the car yet, do you know?—A. I do not know. He had it for quite a while; I saw him with it.

Q. Did you see him drive it?—A. Yes.

Q. Frequently?—A. Yes.

Q. Did you have any talk with Macdonald about it?—A. Lots of jokes about it.

Q. Anyway, MacLachlan had the car?—A. Yes.

*By the Chairman:*

Q. What car?—A. I probably cannot describe it; British Columbia licence, 7914.

Q. Do you know the make of it?—A. Russell, I think.

Mr. CARVELL: That is right, a Russell car.

*By the Chairman:*

Q. One thousand dollars for a Russell car. This is a new car?—A. It was a big car.

Q. That is pretty cheap. The cheapest Russell car made new is \$1,700?—A. This was an old car, I believe, that came from the Public Works Department in Vancouver.

Q. It was a secondhand car?—A. Yes.

Q. Perhaps it belongs to the Government?—A. It did.

Q. Do you know whether it was brought back again yet?—A. No, sir, I do not know.

*By Mr. Carvell:*

Q. Let us go to Mr. Nelson. Have you any knowledge of Nelson either furnishing or receiving money on his contract?—A. Yes.

Q. What knowledge have you?—A. There is a receipt in that package of documents received from Victoria for \$2,000.

The CHAIRMAN: Excuse me, Mr. Carvell.

*By the Chairman:*

Q. How did he get hold of that car from the Government?—A. Mr. Nelson, Superintendent of Dredges, traded the car with Mr. Macdonald, who sold the car to MacLachlan.

Q. Macdonald was the rightful owner of the car when he gave it to MacLachlan?—A. I think the car was a Department of Public Works car traded by Nelson to Macdonald.

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Q. Did he have no right to it when he gave it to Macdonald?—A. Macdonald may have had a right to the car.

Q. Was he the owner of the car? You do not insinuate he was taking a Government car and giving it away to Maclachlan?—A. I never did think that the car did belong to anybody but the Government, no matter how many times it was sold, unless the Government sold it.

Q. Do you think it was really a Government car?—A. Certainly.

*By Hon. Mr. Crothers:*

Q. Had Macdonald a car of his own?—A. No. He bought one in Victoria and traded it immediately with Nelson.

Q. Did he own that so far as you know?—A. Yes, he paid for it.

*By Mr. Carvell:*

Q. That was his then?—A. Oh, yes, the car he traded was his.

Q. And if Nelson owned the other car he could just as well own that?—A. That is right.

Q. And having possession of or owning it, he gave it to Maclachlan for an advance of \$1,000?—A. Yes.

The CHAIRMAN: If he owned the car he could do as he liked with it.

*By Mr. Pringle:*

Q. Mr. Maclachlan tells me that he did not keep the car, he only used it four or five days, and did not keep it. Is that the case?—A. No.

Q. He says he used it only a week?—A. I do not know, I can look it up.

Q. How long did he have it? He tells me he used the car for a week and returned it and would not have anything to do with it?—A. (After consulting diary.) Well, he received the car on the 19th of September, and on the 15th of October Mr. Macdonald arrived from Vancouver in Victoria and was trying to get Maclachlan to see if he could borrow the car that morning.

*By Mr. Carvell:*

Q. He received the car on the 19th of September?—A. Yes.

Q. And on the 15th of October he still had it?—A. Yes.

*By Mr. Davidson:*

Q. You say it was a car from the Public Works Department that Mr. Nelson traded with Mr. Macdonald?—A. I understood it was a department car.

Q. What made you so understand it?—A. The license was taken out in the name of the Public Works Department.

Q. As far as you know this may have been Mr. Nelson's private car?—A. No, Mr. Nelson said it was the department's car.

Q. That it was owned by the department?—A. Yes, that it was for his use.

Q. When did Mr. Nelson tell you this?—A. When I was over in Vancouver and was out running around the city in the car with him. I said, "You have a pretty nice car here," and he said, "Yes, it belongs to the department."

*By Mr. Barnard:*

Q. When was that?—A. I could not say, exactly.

Q. Did you put that down in your diary?—A. No, sir, the car was in Vancouver, and the diary in Victoria.

Q. But you put it down when Maclachlan got it?—A. Because I already knew then it was a departmental car, and I thought it was funny how it could get to Victoria.

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*By the Chairman:*

Q. What is the entry you have there?—A. "Mac. sold his auto No. 7914 to Mac-lachlan, resident engineer, to-day for \$1,000, including garage."

Q. That is all the entry you have?—A. No, sir, there is another one.

Q. "MacDonald sold his car," you got that information from MacDonald?—A. Macdonald. He said, "Charge MacLachlan with \$1,000," and there is the marks in connection with the thousand dollars.

Q. Then the next entry is October 15th. Will you just read that for the benefit of the Committee?—A. (Reads) "October 15. Mac. arrived in town this a.m. from Vancouver he wanted the auto early this morning but I did not get it. MacLachlan had it. At 10 a.m. MacLachlan phoned me—wanted to know what was the matter with Mac. I said, I had not seen him—at 10.30 I phoned MacLachlan asking for Mac. He said I was just talking to him and he will be up to his office in a few minutes. Mac. came in at 11.30 a.m. looking very worried said very little and went out again—"

Q. Were you on the detective trail at that time when you made a note whether a man looked worried or not?—A. I thought he was pretty much worried that morning.

Q. What was your object in keeping that record?—Because the man was acting very strangely that morning and others noted it.

Q. Were you on his trail then?—A. Not at all.

Q. That is the way you keep your dairy, if a man comes down street worried you put it down in this book?

*By Mr. Barnard:*

Q. You say that Mr. Macdonald told you to charge Mr. MacLachlan with a thousand dollars, did you do it?—A. Yes.

Q. Was it in Mr. MacDonald's book?—A. Yes.

Q. Did you make the entry yourself?—A. Yes.

Q. Did the entry specify what it was made for?—A. I believe it is "J. S. MacLachlan. \$1,000."

Q. It does not say what it is for?—A. No.

*By Mr. Blain:*

Q. I see there are several days for which there are no entries in your diary, why is it?—A. Because nothing took place.

Q. Were you not doing anything those days?—A. In October I was not doing very much.

Q. For instance there are several days on which there is no entry at all. Take this day (indicating), what about this one?—A. I was in my home on that day.

Q. Perhaps you will give us some explanation how it is there seem to be special notes on special days?—A. Because Mr. MacDonald or some one in connection with this work was in there.

Q. When did you put these down?—A. I put them down on the day when the things mentioned took place.

Q. Can you give us any explanation why there is nothing down on that day (indicating)?—A. Well, I will have to go back again.

Q. There are one, two, three days without any entry at all?—A. I was in Victoria.

Q. How do you know?—A. (Reads) "Left Victoria 11.45 p.m., boat Vancouver." MacDonald arrived in Victoria on the 15th and I was there on the 13th and 14th alone.

Q. There is another day on which there is no entry, what occurred that time?—A. That is Sunday, I was at my home.

Q. What about that day (indicating)?—That is Sunday, too.

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Q. What about this day (indicating)?—A. Mr. MacDonald was away, I was in Victoria.

Mr. BLAIN: To my mind it looks as if the book were cooked up for the purpose.

Mr. CARVELL: Now, if my friend takes that ground we are going to interfere. I want Mr. Blain to withdraw that remark.

Debate followed.

*By Mr. Carvell:*

Q. I think we had better get on with the evidence. Have you any evidence now of money being paid by MacDonald or Nelson into this business?—A. From MacDonald to Nelson?

Q. Or from Nelson to MacDonald?—A. Yes, Mr. Nelson financed Mr. MacDonald.

Q. In the very beginning?—A. Yes, sir.

Q. How did he do that?—A. He attempted to do it through Camsusu of Victoria.

Q. Vancouver, was it not?—A. No, Victoria; but this man could not raise the money for him, could not raise the money for Mr. Nelson.

The CHAIRMAN: Mr. Carvell, would you ask the witness how he comes to get these entries down so finally and explicitly? If he is unable to give an explanation for it it is enough to arouse suspicion in one's mind.

Mr. CARVELL: That is a fair inference and a fair remark. I will now examine the witness on that point.

*By Mr. Carvell:*

Q. The Chairman would like to know how it comes that on some days there are entries and on other days there are none, and that in some of these entries you make very specific references to many things. I want you to answer and tell us exactly what your object was in that.—A. In the early part of the work everything was going along in a way I considered all right.

Q. Yes?—A. In July the estimates began to jump, classified as rock. We had a clamshell dredge there doing the dredging, and I thought it rather peculiar. It looked to me as though there would be a scandal over this affair before it got through if it kept on at the rate at which it started, so I made up my mind I was not going to be in any scandal if anybody wanted any information from me. As far as the Government wanted the information, I mean, they would get it.

Q. Yes?—A. So I began to make my notes on what took place, and as the work progressed the notes got thicker and more detailed.

Q. Yes?—A. Because I considered it was bad enough to keep detailed notes on.

Q. It is true that there are many days at the beginning of the work of which there are no record?—A. Certainly.

Q. Because nothing of any account occurred?—A. Quite right.

Q. About what time do you say the notes commenced to get thicker?—A. Well, in July.

Q. What happened in July to arouse your suspicions?—A. Well, Mr. Nelson and Mr. MacDonald were after Mr. MacLachlan all the time about rock. "Forget there is dirt out there, we want rock." They proceeded to give him good talks, as they called it, at the end of each month, the end of June and the end of July.

*By Hon. Mr. Crothers:*

Q. Were you present at these talks and did you hear what went on?—A. I was present at the talks, most of them. They retired to the private office when there was anything particular.

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*By Mr. Blain:*

Q. How does it happen you made no entry until the 14th?—A. Nothing occurred.  
The CHAIRMAN: He says he did not get suspicious until July.

*By Mr. Blain:*

Q. You were pretending to keep a diary and making entries every day, were you not?—A. Yes.

Q. Now, give us an explanation why you have no entries until June 14?—A. The time-book shows the time the work commenced.

Q. I am talking about this diary, why were there no entries at an earlier date?—A. I had nothing to keep the diary for. I kept the diary afterwards.

Q. After when?—A. After we started the work.

Q. How long after?—A. I could not tell you.

Q. Was it a week after?—A. I could not tell you.

Q. Yet you are trying to make us believe that you kept a diary and kept it up every day.

Mr. CARVELL: He has not said so.

A. I made notes daily on notepaper.

Q. You have stated that you kept this diary after work was commenced on the 10th, how many days after?—A. I do not know.

Q. You have some idea, haven't you?—A. No idea.

Q. Would it be a week after?—A. It might.

Q. Under what conditions were these entries made?—A. I will tell you how it was. Notes were put down on paper in the office and transferred into that diary daily.

Q. Well?—A. As quickly after the conversation took place as possible.

Q. I understood you to say you did not keep the diary at all until several days after you commenced work on the 10th?—A. I had no suspicion of anything before.

Q. Then you only kept your diary after your suspicions were aroused?—A. I only kept it when my suspicions were aroused, that is, of any conversations which took place in the office.

Q. For a rather special purpose?—A. To protect myself, certainly.

Mr. CARVELL: Now, suppose we go back and see what is the first entry in the diary, for the benefit of my friends on the other side of the room. Perhaps you will let me have it, Mr. Barnard.

Mr. BARNARD: Certainly, Mr. Carvell, I have been trying to get hold of it myself.

*By Mr. Carvell:*

Q. Give me the first entry in that book?—A. (Witness consults exhibit.)

Mr. CARVELL: I would like it to be understood that if this witness has brought here a book that is not genuine, I want it exposed.

The WITNESS: This entry was in connection with Mr. Macdonald receiving his money. I put it down on the 14th of June. The entry is: "Camsusu tells Mac the old yarn—meet me at the club to-night and I will fix you up."

*By Mr. Carvell:*

Q. That means furnish the money. Find the next day you have another record?—A. A record of the same transaction?

*By Mr. Blain:*

Q. Was that entry put down on a slip of paper and then transcribed at once, or did you write it in afterwards?—A. Nearly everything in this diary was put down on a slip of paper.

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Q. And transferred?—A. Yes.

Q. When were they transferred?—A. The first time when I went home at noon, or four o'clock in the afternoon or six o'clock.

Q. When you commenced to keep the diary you did not know it was a week or more before the slips were entered?—A. I do not know anything about it.

Q. Was it a month?—A. If it was a month, I had my notes there, and put them down.

Q. Would it be for three months?—A. I was not on the job for three months hardly.

*By Mr. Carvell:*

Q. The hon. member means: Did you refrain from transferring from the notes into the book for three months?—A. Oh, no.

*By Mr. Blain:*

Q. About how long did you refrain?—A. I do not know. All I can say is that I have not the faintest idea of the date I bought that diary.

Q. The diary, as I understand it, is supposed to be an entry taken down every day. Under the circumstances in the case of this book, anybody who looks at it would be suspicious, and what I want to know is: You are asking the Committee to believe that you kept a diary. What I want to get at is: When did you put these entries down, and you surely have some idea in your mind as to when you bought this diary or got it?—A. I have not.

Q. You surely have some idea?—A. No, I have not.

Q. How long were you engaged?—A. From the commencement of the contract to October 22.

Q. That was June 10, was it?—A. No, I was engaged, I think, from the 1st of June.

Q. Would it be in June you bought it?—A. It might be June, I think it was about the 10th of June when that entry comes, but I won't swear to it.

*By Mr. Carvell:*

Q. Then was it your custom every day, or practically so, to transfer from the notes into the book?—A. When I was in Victoria I transferred it as quickly as possible. When I was out I transferred the notes as soon as I came back.

Q. Look in that package of papers and see if you find any of these notes. These are the papers produced here from the records of the Court?—A. Yes.

MR. BLAIN: Did he start on the 10th of June?

MR. CARVELL: These notes. These are documents that have been in the hands of the Court in Victoria, and they have been sent here, and the witness thinks that some of the memoranda may be there.

THE WITNESS: These are memoranda.

*By Mr. Carvell:*

Q. What dates do you have there?—A. (Witness examines one slip.) I have not got the date, but the date appears in there (indicating diary).

Q. I see. You can tell them by comparing them?—A. Yes.

Q. Are all the memoranda there that were afterwards transferred to the book?—A. I do not think so.

Q. Nothing like it?—A. No.

Q. What became of the memoranda after they were transferred into the book?—A. Generally speaking, they were destroyed, just thrown away.

Q. They had answered their purpose, and you had the record then in the book?—A. Yes.

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Q. How do you happen to have some of these slips?—A. I happened to have those, they were together in a drawer, and I just had not happened to destroy them, opened the drawer and put them in.

Q. When court proceedings started in Victoria, they were taken to court?—A. I turned the whole thing over to Mr. Barnard, and he had them.

Q. I see. He had all those papers then in his possession?—A. All of them.

*By Mr. Blain:*

Q. Can you take out of that package any one entry you put in this book?—A. Yes, sir. (Looks through documents.)

Mr. GREEN: Mr. Barnard put those documents into the Court.

Mr. CARVELL: I am aware of that.

Mr. GREEN: I thought you were not.

Mr. CARVELL: I have read this case from beginning to end. I never try to deceive anybody, and never put a witness on the stand without knowing first what he is going to say. I have gone over this case with this witness, and I can tell you exactly what he is going to say, if that is any advantage to you. I have no use for counsel who do not want to find out their case before they go into it.

The CHAIRMAN: What do you want?

Mr. CARVELL: We will satisfy Mr. Blain. He may take any slip he wants.

Mr. BLAIN: I would just direct the witness' attention, because I do not want any special privileges.

Mr. CARVELL: Then I will satisfy the hon. gentleman's curiosity (hands slip to witness).

The WITNESS: Yes, I will find this one.

*By Mr. Carvell:*

Q. Read that memoranda?—A. The memoranda is: "Mac phoned Maclachlan at 10 a.m., Maclachlan said he would come right up with the car and get him. Mac goes out with Maclachlan at 10.25. Mac says dredge was shut down at Vancouver for three days and started it last night."

*By Mr. Blain:*

Q. What is the date?—A. There is no date on that slip. I will find it in a moment.

Q. You could put it in, I suppose, on any date?—A. If I was dishonest, certainly.

The CHAIRMAN: He made this up on the same day, after he came home he would put them in the diary.

Mr. CARVELL: The witness has read a memo. Now he is going to find that entry in his diary.

Mr. BLAIN: What I want to know, Mr. Carvell, I do not think it is fair. How do you know what date that was taken down?

The WITNESS: I know by the diary, because it was only taken down to put in that diary.

*By Mr. Blain:*

Q. You have not any date there at all?—A. It is not necessary.

Q. Why not?—A. Because I put it in my book, when I went home I put it in.

Q. When you take special notes, and put in at no special times, I suppose you need a date on the original entry?—A. No, there would be no need for a date on there at all.

Mr. CARVELL: Let him find it in the diary.

*By the Chairman:*

Q. The slip you are looking up now, how do you know where to find that?—A. I know from the conversation where to find it.

Q. You remember now where to look for that entry in the diary, although there is no date on the memo?—A. Yes.

The CHAIRMAN: That is peculiar to me.

Mr. BLAIN: It is peculiar to anybody.

Mr. CARVELL: You won't help your case by any such insinuations as these.

The CHAIRMAN: I don't think that remark was justified.

Mr. CARVELL: This witness has told you he made this memo and put it in the diary. He knows the transactions, he knows what took place.

The CHAIRMAN: I am very much surprised how a man can take a conversation that might have happened over a period of two months, and fit it back in the diary.

Mr. CARVELL: He can tell.

Mr. DAVIDSON: We want to test the credibility of the witness.

The CHAIRMAN: Let us see how long it takes him to find the entry.

Mr. DAVIDSON: You must not testify and examine at the same time, Mr. Carvell.

The WITNESS: It would be impossible for me to say exactly. This is in connection with the Vancouver work.

The CHAIRMAN: It is taking you quite a while to find out when that conversation did take place.

Mr. CARVELL: He is going to find out, anyway, Mr. Chairman.

The CHAIRMAN: I expect he is.

Mr. DAVIDSON: Mr. Carvell gives this witness a recommendation as to character, and we must believe him.

The CHAIRMAN: We want to presume this witness to be honest as long as we can, that is all.

*By Mr. Carvell:*

Q. Can you not find it?—A. No, not yet.

Q. Well, do you think it is not there?—A. It may not be, but I think it is.

Q. You think it is?—A. Yes.

Q. Have you any recollection what it refers to?—A. Yes, I will read it again it refers to the Vancouver work.

Q. It does?—A. Yes.

Q. Has that anything to do with the Victoria work?—A. No.

Q. Will you read it?—A. (Reads) "Mac phoned Maclachlan at 10 a.m., Maclachlan said he would come right up with the car and get him. Mac goes out with Maclachlan at 10.25 (J. A. Lee) for three days, but started up last night." That is Mac says the dredge was down at Vancouver for three days but started up last night that should be about three weeks after the Lee went to Vancouver.

Q. Did Macdonald have anything to do at Vancouver?—A. He had a contract at Vancouver on Government work.

*By Mr. Barnard:*

Q. That does not refer to Vancouver work when it says the dredge was shut down; Maclachlan had nothing to do with Vancouver. The whole memorandum is in connection with the movements of Macdonald and Maclachlan?—A. All right.

*By Mr. Blain:*

Q. I asked the witness to take this slip himself and find it in his book. Do I understand that he cannot find it there?—A. I will not say that it is not in there.

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*By the Chairman:*

Q. You say that your one object in making this memorandum was to protect yourself under the Victoria contract?—A. Yes.

Q. Would you say this has any connection with that?—A. It is between MacDonald and MacLachlan.

Q. As far as that memorandum goes it does not concern the Victoria work at all and therefore it cannot be to protect yourself?—A. I considered that it was. I had to look after the Vancouver work; the money for the Vancouver work was taken from the Victoria work and MacDonald said I was to look after it.

Q. Were you superintending that work at Vancouver?—A. No, I took the dredge over and I placed it, and all the reports from Vancouver came to me.

*By Mr. Carvell:*

Q. Now I will take another slip at random, see if you can find that (slip handed to witness)?—A. (Reads) "Insurance policy for New Westminster, payment for fuel oil to New Westminster, fair wages schedule, these things require attention. Dipper dredge commenced work at 6 a.m. August 18 at 10 a.m. they had loaded half scow load of material so far the dredge is doing no better than the *Lee*."

Q. What have you in the diary about that?—A. "The dredge *Puget Sound* started work this morning at 6 a.m. The dredge is digging fairly well." That is all I have and it is on the 17th.

*By Mr. Blain:*

Q. There is a difference in the date there?—A. Yes.

*By Mr. Barnard:*

Q. Now if you transcribe some of your notes into the diary, why do you not put all of them there?—A. All of that note is there, I said the dredge is digging fairly well.

Q. I understood you to tell Mr. Carvell that the notes in the diary are a copy of the memorandum made by you on slips, that is what you said?—A. Yes.

Q. In this instance then that is not the case?—A. Because I made a mistake in the date.

Q. You have made an entry in your diary that does not correspond with the slips, do you want to qualify the answer you gave to that question?—A. I say that the note is marked the 18th and it is entered in here (pointing to diary) on the 17th.

Q. Is there any entry in the diary on the 18th?—A. No.

Q. There is not?—A. No.

Q. Do you intend this entry on the 17th of August in your diary to correspond with this slip that you have produced?—A. No. I won't say it does.

Q. You have stated to the committee that the entries contained in that diary are copies of entries made by you on slips and at a subsequent date written up in the diary, is that correct?—A. A subsequent date?

Q. At a subsequent date written up in the diary? At a subsequent hour or date if you want it that way—is that correct?—A. To the best of my knowledge that is what I did right through.

Q. You have already told Mr. Carvell that you have an entry there on the 17th August which corresponds with a slip which you produced to him. But it appears that slip reads differently to the entry in the diary. Evidently you did not copy that slip into the diary, is that right?—A. The slip in its original form is saved, so what would be my motive in changing that?

Q. Did you enter the slip in the diary?—A. I entered it in so far as the dredge started to work at 6 a.m.

Q. You did not enter it from the slip?—A. I did, but did not take it all.

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Q. What was the entry?—A. (Reads) "The dredge *Puget Sound* started work at 6 a.m."

Q. What did you say on the slip?—A. There is a little more (reads): "The dredge is doing fairly well."

The slip is (reads):—

"Dipper dredge commenced work at 6 a.m., August 18. At 10 a.m. they had loaded one-half scow load of material. So far the dredge is doing no better than the *Lee*."

The dipper dredge was placed on because the *Lee* was a clamshell dredge and was entirely unsuited for doing the work.

Q. You say the *Lee* did not do the work?—A. It could not and did not do the work.

Q. Therefore they brought a dipper dredge?—A. Certainly.

Q. In your diary you say the dredge is doing fairly well?—A. Yes.

Q. But your slip says the dredge was doing no better than the *Lee*.

The CHAIRMAN: In the diary the entry is the dredge was doing fairly well.

*By Mr. Davidson:*

Q. You say you made these entries for your own protection? What particular impression would they give?—A. I put them down because in the course of this work there was going to be rock and lots of it.

*By Mr. Blain:*

Q. How do you explain the dates being wrong?—A. I changed the date when I put it down.

Q. You changed it?—A. Yes.

*By Mr. Barnard:*

Q. Which date is right?—A. I stick to this (indicating).

*By the Chairman:*

Q. Do you stick to the 17th, although your original entry was the 18th?—A. It I changed it I changed it for a reason.

Q. You made a change although your original entry is the 18th?—A. I must have changed it for a good reason at the time.

*By Mr. Blain:*

Q. What was the reason?—A. Because that other date would be wrong.

*By the Chairman:*

Q. It could not be wrong if you put it down at the time yourself?—A. I could easily make a slip putting down the 17th for the 18th.

Q. Do you think you could trust your memory better afterwards than at the time?—A. I trusted my memory the same day.

Q. Then do you think you could trust your memory at a time after you made the notes better than at the time you made them?—A. Not after, it was the same day.

Q. Your memory is better some time after you made the notes than it was when you made them, is that right? (No answer.)

Q. I ask you is that right? Was your memory better some time after you made the note than at the time you made it?—A. No.

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Q. Then in that case your notes are no good and your memory is the best notes you have?—A. It might be a clerical error.

Q. Although it was put down the very day it was done?

Mr. CARVELL: Now we will go on again.

*By the Chairman:*

Q. Wait a minute. On the 14th June you say you made the first entry?—A. Yes, sir.

Q. The 14th June, is that right?—A. Yes.

Q. And you did not make any entries until after you became suspicious?—A. Yes.

Q. Yet on 14th June you have this entry (reads):—

“Camsusu tells Mac the old yarn—“Meet me at the club to-night and I will fix you up.”

Now, that was on the 14th of June, and yet you said you were not suspicious until July?—A. I was not suspicious of the change of the rock, but Mr. Nelson was raising money.

Q. You have told us clearly and distinctly that you put no entry in your dairy until you were suspicious. Yet the first entry is on the 14th June and it says: “Camsusu tells Mac the old yarn—‘Meet me at the club to-night and I will fix you up.’”—

A. It was the old story between MacDonald and Nelson.

Q. You had heard it before?—A. Yes.

Q. You had heard before the old story saying, “Come to the club and I will fix you up,” and yet you say you made no entry until you were suspicious. Your first entry indicates that you had been suspicious and that it was an old story?—A. It was an old story in this way: At that time it appeared Camsusu was not going to raise this money and Mr. Nelson and Mr. MacDonald were getting excited.

Q. At any rate, you were wrong? You were suspicious on the 14th of June?—A. I had absolutely no reason to be suspicious of the change of classification.

Q. Although you spoke of this as “the old yarn” and somebody was to be “fixed up”? Now, were you suspicious or were you not before the 14th of June?—A. Not in connection with the change in classification.

Q. What was the fixing up about?—A. The money.

Q. Was that a suspicious thing?—A. Mr. Nelson was raising it.

Q. Was it a suspicious thing to say: “Come up to the club and I will fix you up”?—A. It would warrant suspicion.

Q. Because it was suspicious you put it down in the diary?—A. Suspicious as far as Mr. Nelson was concerned, yes.

Q. Because it was suspicious you put it down in the diary?—A. Yes.

Q. One thing more. You have already told us that up to the 1st June there was nothing suspicious?—A. Well, I made the statement with the understanding that it applied to the carrying on of our contract.

Q. And up to the 1st of July there was no suspicion because it was a usual thing to give a classification for a large amount of rock in order to let the contractor out?—

A. It was Nelson being a partner. I did not know at the time Nelson was a partner.

Q. You think it was that created the suspicion?—A. It had nothing to do with the change in the classification.

*By Mr. Carvell:*

Q. Will you take another item please at random, and will you read the memorandum you see there?—A. (Reads):—

“Nelson and McDonald came over on the *Petrol*.”

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*By Mr. Barnard:*

Q. On the what?—A. On the tug *Petrol*.” (Reads):—

“Speaking of engineers, Nelson says: ‘Mallory, if an engineer, treats me right; he don’t have to ask me anything. I’ll see that he is fixed alright.’”

Q. Who said that?—A. Nelson, to me.

Q. Have you got an entry of that in the diary?—A. I think so.

*By Mr. Blain:*

Q. Is there any date on that?—A. No.

*By the Chairman:*

Q. Is there any entry in the diary of what you said in reply?—A. No. Here is the entry that Mr. Barnard asked for. (Pointing to diary.)

Q. Read it from beginning to end, and read it loudly.—A. (Reads.)

“October 1st.

“J. L. Nelson and Mac came over from Vancouver this a.m. on the *Petrol*. They came up to the office at 8 a.m. Phoned me and I arrived at office at 8.20 a.m. They both asked me to make arrangements with Jamieson whereby Taylor could get a letter from him showing the amount of Mac’s credit at G. S. & Co’s (Grant, Smith & Co.) for the August estimate, so that Mac could draw money. Mac got a certified check for (No. ) amount \$1,500. I gave him a signed check and later got the amount from the bank ledger. About one hour later I filled in a check for \$2,000, leaving him to make it out in his own or others favour. The check number was”;

The cheque number is not there. (Continues reading)

“I don’t think MacLachlan saw Mac or J. L.; he just missed them as they left. Both Mac and Nelson were in great humour because Aug. est. passed Ottawa. Nelson was in the office from 8 a.m. till 12 n. except for about 30 minutes when he went over to Price’s office. Price was at the submarine investigation. F. G. Walsh was with Nelson in the office from 11.30 to 12 n. Nelson went to lunch with Walsh.

“Mac came into the office at 2.30 p.m. Said he had been watching the drill boat all noon hour. Said: ‘Between you and me, Mallory, that is the first rock Woolley has drilled since he came over here, or at least—

Q. Read it all, just as you have got it there.—A. I am following the arrow which continues that subject on the next page (reads):

It was his first go at rock out here where he had to drill over three feet. in fact it was the only rock to mention on the contract. The last thing Mac said to me at 3.30 p.m. before he left was to see that the September estimate was a good one. J. L. and Mac off on *Petrol*.

*By the Chairman:*

Q. Read what you put in afterwards?—A. (Reads):

“The *Puget Sound* was cleaning up between piers 2 and 3, dredging earth and laying up repairing something. I was told by Mac to be in Vanc. Friday morning, Oct. 8th.”

*By Mr. Blain:*

Q. Will you tell us where in that entry there is a statement by Nelson that if the engineer treated him well—A. It is there.

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Q. That entry is not copied from any memoranda?—A. I did not claim to have memoranda of all conversations.

Q. I thought you did?—A. No.

Q. You made a memo of that conversation?—A. It is there.

Q. That was not entered in the diary?—A. No.

Mr. BARNARD: That is two. Try another.

Mr. CARVELL: That is all right. We are going to put the whole diary in. At least some things in the diary you won't want to be there.

*By the Chairman:*

Q. I suppose you recorded on these slips, Mr. Mallory, anything which you considered of importance which happened that day? You entered up the most important things on this slip?—A. If I were going home, it would be quite unnecessary that I put it down there, because I would fill it in when I left the office.

Q. You mean to tell us then that these entries are sometimes made—A. First hand.

Q. Not using slips at all?—A. Yes.

Q. When you would use that slip, would you be able to do that after hearing the conversation?—A. I was in the office, and put that down when Nelson went out.

Q. You kept that diary in the office?—A. No, sometimes I had it in the office, not always.

Q. Where did you keep this book, if not in the office?—A. At home.

Q. At your house?—A. Yes, sir; this book belongs to me.

Q. You sometimes kept it in the office?—A. Sometimes I did.

Q. I see. So that the entries made on these slips in the office would be those made the soonest after the conversation took place?—A. Yes.

Q. Always?—A. Not always, because sometimes I had this there and wrote it right up. I cannot designate the date.

Q. We are sure that anything on the slip is more right than anything that went in the book?—A. Not necessarily.

Q. Even if you had carried it home in your mind?—A. I will swear that both these slips and that book are right.

*By Mr. Barnard:*

Q. Suppose they do not agree with each other?—A. It is because something there is copied that is not in there.

*By Mr. Davidson:*

Q. If the slip and diary are not right?—A. They are both records.

*By the Chairman:*

Q. Tell me this then. Here is a day on which you made a memoranda in the office?—A. Yes, sir.

Q. Then you went home and added about five or six times to that in your book?—A. I was talking to Mr. Nelson all morning.

Q. I just want to draw the circumstances from you. You make an entry on a slip that is made at the time of the conversation?—A. Not at the time.

Q. Immediately after then?—A. Yes.

Q. And then you go home and make an entry in your book that is four or five times as lengthy as the entry made on that slip?—A. I say now, as I said when we first started, that there is not a sixteenth part of the slips there. These are some I happened to have left.

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Q. Do you think you may have another slip?—A. There may be some other in that package.

Q. You say there may be other slips for this very date?—A. They may be there.

*By Mr. Carvell:*

Q. When did you see this last?—A. I just packed them up, because I had them, and they had a bearing on the thing. I put them in a heap and gave it to Mr. Barnard.

Q. Will you turn to the 5th day of October. I just want to ask one question, will you read the entry on that date?

(Entry read by witness).

Mr. PRINGLE objected to the entry being placed on the record on the ground that it contained hearsay evidence affecting a third person.

The CHAIRMAN: That is all hearsay evidence, absolutely so, and that should be struck out of the record.

Mr. CARVELL: If I am not to be allowed to conduct the examination of this witness as I desire I will try to protect myself.

*By Mr. Carvell:*

Q. I want to ask this witness one question and let him answer it. Did you not tell all that story to Mr. Barnard when you went to see him?—A. Yes.

Q. And about Mr. Clements?—A. Yes, and he told me to keep quiet.

Q. Did you not tell it to Mr. Green?—A. Yes.

Mr. GREEN: I can say this that Mr. Mallory did in my presence, and in the presence of Mr. Barnard, tell this story about Mr. Clements which we said we did not believe and asked him what proof he had, but we never asked him to keep quiet about it. I did not and I do not think Mr. Barnard did.

Mr. BARNARD: I also deny that I ever asked this man not to say anything.

Witness retired.

Committee adjourned.

HOUSE OF COMMONS,

COMMITTEE ROOM No. 301,

Thursday, April 6, 1916.

The Select Standing Committee on Public Accounts met at 11 a.m., the Chairman, Mr. Middlebro, presiding, and resumed the consideration of certain payments to Grant, Smith & Co., and Macdonell, Limited, in connection with dredging at Victoria, B.C.

Mr. U. VALIQUET called, sworn and examined.

*By Mr. Barnard:*

Q. You are Superintending Engineer of the Department of Public Works, are you not?—A. Yes.

Q. You were sent, I think, about the end of October to Victoria, B.C.?—A. Yes.

Q. For what purpose?—A. To examine into the complaints that were made about the classification of material that was dredged there in connection with the piers.

Mr. U. VALIQUET.



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Q. That is the contract that has been under discussion in this examination, of payments to Grant, Smith & Co., and Macdonell, Limited?—A. Yes.

Q. What date did you arrive in Victoria?—A. 31st October, Saturday afternoon.

Q. Do you remember coming to my office on Monday morning?—A. Yes, sir.

Q. Do you remember I submitted to you certain documents?—A. Yes.

Q. That you looked over?—A. Yes.

Q. Do you remember what those documents were?—A. Yes.

Q. What were they?—A. They were letters from the sub-contractor C. E. Macdonald, also from Mr. Nelson. There was a receipt for certain amounts of money.

Q. From whom?—A. A receipt from Nelson to Macdonald.

Q. Some cheques, were there not?—A. I do not remember about the cheques.

Q. Some pencilled memorandum with regard to estimates?—A. Yes.

Q. Do you think you could recognize them by looking through these? (Documents produced and handed to witness)—A. (After examining documents) Yes, I recognize some of them.

Q. Do you recognize these? (Handing other documents)—A. Yes, I remember seeing these before.

Q. That is the bundle of documents that were sent here from Vancouver?—A. Yes.

Q. In my office you met Mr. Mallory?—A. Yes.

Q. And discussed this matter with him?—A. Yes.

Q. You remember I suggested to you that you should take Mr. Mallory with you out there on the ground?—A. Well, I don't remember that.

Q. You don't remember that?—A. No, I put a certain number of questions to him regarding the work as to his experience in dredging.

Q. Well you consequently went out on the ground. Mr. Valiquet?—A. Yes.

Q. How long did you stay in Victoria?—A. I stayed three and a half days.

Q. You made a report as the result of your investigation?—A. Yes.

Q. Is that a copy of it? (Document handed to witness)—A. Yes, that is a copy of it.

Mr. KYTE: Is that already in the record?

Mr. BARNARD: No, it is not.

The CHAIRMAN: It is in the Auditor General's Report at Page V 433.

*By Mr. Barnard:*

Q. To sum the matter up shortly, Mr. Valiquet, you came to the conclusion that the classification was all right?—A. Yes, at that time I came to that conclusion.

Q. There has been nothing done since, has there, to alter your opinion?—A. There has been another investigation.

Q. But at that time you came to that conclusion?—A. At that time I came to the conclusion that the classification was made all right, from the information that I got.

Q. You thought you had very full information, did you not?—A. Yes, at that time I thought it was pretty full.

Q. Have you any reason now to change your views?—A. Yes, I have some reason to change my views now.

Q. What are the reasons?—A. Well, the information that I got at the time I find now is not exactly as it should have been. The letter to the chief engineer of the 20th of August from Mr. MacLachlan spoke of certain hard conglomerate that could not be removed by a dredge, and it has been found since that the dredge had not been tried on this, but only "clamshells," which are not considered as efficient dredges.

Q. Let me understand: You found on the first of November that nothing but clamshells had been tried. Is that what I am to understand?—A. I was not told that; I understood then that the dredge Puget Sound had been tried on that hard material whereas it is found now it had not been tried.

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Q. You say then you understand now that the dredge Puget Sound had not been tried on the material prior to the time you went up there. Is that right?—A. That is what I understand now.

Q. You understand that now?—A. Yes.

Q. Well then, if it is shown to you that you are mistaken, and that the Puget Sound was tried there on the 17th of August, what would you say? Would you change your view now?—A. It would not change my views, because the Puget Sound was not trying to remove the hard material before blasting. It was only tried on the 17th of August to remove material that had been blasted before.

Q. You say it was never tried?—A. On material that had not been blasted.

Q. Well then, if Mr. Mallory had a note in his diary to the effect that the dredge was put on and was digging about the same as the clamshell dredge that would mean, in your opinion, that it was digging on blasted ground? Is that right?—A. That is what I understand now, yes.

Q. Now, why do you say that she was never tried on ground that had not been blasted?—A. At the time I was there Mr. Mallory told me he hadn't seen the Puget Sound tried on this material.

Q. Who told you?—A. Mr. Mallory. And since it has been found that she was put at work when she went there on material that had been blasted.

Q. How do you know that?—A. From information which has been gathered since I was there.

Q. Where did you get the information?—A. From different sources.

Q. Will you tell us some of them?—A. Well, Mr. Davy, who was there.

Q. Mr. Davy was not there at the time?—A. No, but when he got there he found out that the Puget Sound had not been tried except on blasted material.

Q. Then you make that statement on the faith of Mr. Davy's statement himself to you?—A. Yes.

Q. Is that the only ground that you have for the statement?—A. Yes, one.

Q. That is the only ground you have for making that statement?—A. Yes.

Q. That, then, is the only reason you have for changing the view that you had when you made that report in November: is that right?—A. Yes, that is right.

Q. You have no other reason?—A. No.

Q. The only ground you have for changing your report is that the Puget Sound never tried to dig that material in its original spot, and the source of information for that fact is limited to Mr. Davy; that is correct, is it?—A. Well, also the statement of Mr. Mallory that he had not seen the dredge tried on it.

Q. When did you get that statement from him?—A. When I was there in your office.

Q. But you remember, or perhaps you do not remember, you would not believe Mr. Mallory when he said that. Why have you changed your views in that respect?—A. Well, he might be correct in some instances.

Q. But yet you were of the opinion that he was a "sorehead" to use your own expression?—A. That he was—

Q. A "sorehead," to use your own expression?—A. Yes, I believe he was.

Q. And you did not pay much attention to what he said?—A. Not at that time. I did not pay much attention to what he said at all.

Q. Notwithstanding that it was on his complaint you were sent out to investigate?—A. Yes, notwithstanding that.

Q. You were then aware of that fact, and were relying solely on him?—A. No, at that time I relied on Mr. MacLachlan's information altogether.

Q. At that time?—A. Yes.

Q. And now you rely on Mr. Davy, on what he has since told you?—A. Yes, regarding the time when the Puget Sound was put at work.

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Q. On what he has since told you, or what Mallory told you, you place reliance on Mallory now?—A. Regarding the time that the Puget Sound was put at work.

Q. Then it is fair to say that, with regard to Mallory you have experienced a change of heart?—A. No, my opinion has not changed regarding him very much.

Q. It has not changed very much?—A. No.

Q. You give, in your report, to Mr. MacLachlan, a clean bill of health and said that everything was all right?—A. Yes, I did.

Q. And you recommended that the dredge should be allowed to proceed with the work?—A. I did, exactly, yes.

Q. Do you not think it is a considerable change of opinion to state what you do now?—A. Yes, it is a considerable change.

Q. Quite a change?—A. Yes.

Q. Now, Mr. Valiquet, when you left Victoria you took these documents with you?—A. Yes.

Q. I requested you to report the facts, the claims in these documents, to the Minister, did I not?—A. No, you asked me to make an investigation into the truth of these facts.

Q. That would involve a report, would it not?—A. Not exactly.

Mr. KYTE: What documents are you referring to?

Mr. BARNARD: The documents which Mr. Mallory left with me; the same documents which are before the Committee now.

*By Mr. Barnard:*

Q. I also asked you to take the matter up with Mr. Nelson to get his explanation of this contract?—A. Yes, you did.

Q. And you wrote me from Vancouver returning the documents and saying that you did not consider it was within the scope of your duty to do that, that you were sent out to see whether the classification was right, and that was practically all you had to do with the matter, and did not care to do anything further. That is right, is it not?—A. That is right. From further information that I got in Vancouver I understood that an investigation was to be carried on by somebody else and therefore I had no business to go into it.

Q. From whom did you get that information?—A. From Mr. Stevens, M.P.

Q. What did he tell you?—A. He told me that he had some correspondence by which he understood that the matter was to be taken up by the minister himself.

Q. This Victoria contract?—A. No, the papers relating to it.

Q. This Victoria contract—was he discussing this Victoria contract with you?—A. Oh, no, not the contract, but the papers in connection with Nelson and Macdonald. That is what I was speaking of now.

Q. What I am asking you about is the papers which showed Nelson's connection with Macdonald in the Victoria contract?—A. Yes, exactly.

Q. Was that the subject matter of the conversation you had with Mr. Stevens?—A. Yes.

Q. Did you show these papers to Mr. Stevens?—A. No, he would not look at them.

Q. Did you tell him what was in them?—A. Yes.

Q. And he told you that he understood—A. That this matter was being taken up by the minister himself.

Q. That the matter was being taken up by the minister?—A. Yes.

Q. Therefore you thought there was no necessity to make any report on this matter?—A. No, it would be out of the scope of my business out there to go into that.

Q. Now, Mr. Valiquet, will you tell us why, when the engineer at Victoria wrote to you on the 20th of August about the rock you wrote to him privately?—A. Yes, he did not mention any quantities in this first letter of 20th August and we wanted to

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know how much there would be. These excess quantities occur very often and at that time there was no reason to think that the excess was very large, and I therefore wrote to him in order that the quantity in excess might be returned.

Q. Why did you make it a private letter instead of putting it on the file?—A. Just to get the information.

Q. Did you want it for yourself or for the Department?—A. For the Department, of course.

Q. Then why would it not go on the file?—A. I think it might have gone on the file. Of course the chief engineer asked me to write him privately and get the information first.

Q. Well, you got the information?—A. Yes.

Mr. KYTE: Have you a copy of that letter?

Mr. BARNARD: It is in the printed record.

*By Mr. Barnard:*

Q. You got the information in a letter dated the 10th of September?—A. Yes.

Q. In which he told you that the amount of excavation of rock material would be 28,000 cubic yards?—A. 27,000 cubic yards.

Q. 28,000 I think.—A. The letter says 27,000.

Q. Did you communicate that information to the chief engineer?—A. Yes, I think I did.

Q. He says that he never heard of it, what would you say?—A. He must have forgotten.

Q. He must have forgotten it?—A. Yes.

Q. None of that correspondence was put on the file?—A. No.

Q. Can you give us any reason for that?—A. Yes.

Q. The correspondence between you and the engineer regarding the amount of the excess of hard material to be excavated?—A. It was not on the file at the time because we understood that it would have to be put on later; eventually we would have to get it and it would be put there on the file.

Q. You have no explanation of that, as a matter of fact?—A. No, no explanation why it was not put on the file at that time.

Q. Is it the usual thing in the Department to get information of that kind?—A. No, it is not usual, but such information is obtained, and it is communicated privately, and then if there is any reason later on to have it made official, then it is made official.

Q. Now, in your letter to him you told him that he was right in classifying the material as he proposed, did you not?—A. Well, I told him that the excess should be returned in the estimates, as he was so positive as to the classification. I told him that the contractors must be paid for the work they did.

Q. You said as he was so positive as to the classification?—A. No, I did not say that in the letter.

Q. You do not mean that, do you, because his first letter asked you if he was to classify it that way, didn't it?—A. Well, he was asking the question, and in the meantime—

Q. He was asking for instructions?—A. He was asking for instructions.

Q. And you gave him the instructions?—A. We wanted to get the quantity first.

Q. You gave the instructions first, and asked for the quantity afterwards?—A. At the same time.

Q. Did you change your instructions after you got the quantity?—A. No.

Q. So he would naturally assume in the ordinary course of events, that the same instructions stood notwithstanding the quantity? That is a fair position to take?—A. At the time he was asking for instructions he had already taken upon himself to do a large amount of work that he had not been authorized to do.

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Q. Well, was that a good reason for telling him to go on and do it?—A. It was in a way, provided he was so positive as to the classification.

Q. Just turn up that correspondence. (Witness consults record). He says: (Reads).

In connection with items 1 and 2 in schedule, in the construction of the wharves at Victoria, I have to report that the approximate quantity of rock as described in the schedule will be very much below the actual quantity excavated. One dredge had been employed for some time removing the overlying mud, silt and underlying material, and later a much more powerful dredge. The attempts of both dredges to remove the underlying material were not successful. A very up-to-date boring machine is now engaged in drilling and blasting the material which appears to be a conglomerate and in its original state cannot be removed by a dredge, I therefore, subject to your approval classify same as rock, and hope this will be in accordance with your views."

Now, was he not clearly asking instructions?—A. He was simply asking the chief engineer to ratify what he had been doing for some time, because he says plainly——

Q. Hold on now, Mr. Valiquet. There had only been two estimates come in up to that time, the 20th August?—A. There had been two, yes.

Q. You had passed three or four subsequently, three anyway?—A. Yes, but the first——

Q. That explanation is not quite satisfactory, I do not think.—A. At the time he wrote we only had the July estimate, and there the excess of rock was only about 25 per cent over the estimated quantity, and that was not thought sufficient in view of the assertion——

Q. How much was it then?—A. 25 per cent in the July estimates—in view of the assertions made by Mr. MacLachlan it was not thought necessary to go into the matter at that time.

Q. Well, then, he wrote you on the 10th September in reply to your letter, and he said: "An approximate estimate of the total rock excavation as at present being excavated will be in the neighborhood of 28,000 cubic yards." Not 27,000 but 28,000 yards. Now then, subsequent to that date, 10th September, you passed three or four more estimates, three more anyway, that is right, isn't it?—A. Yes.

Q. And you had full information then?—A. Yes, but all this time the question of investigation was being discussed in the Department.

Q. Who was discussing it?—A. The chief engineer and myself.

Q. You and the chief engineer were discussing the question of investigation. In that letter he asks you if you would send somebody out to look at the work?—A. Yes.

Q. If you were discussing the question of investigation with the chief engineer, and thought it ought to be investigated, why didn't you follow that suggestion and send somebody out?—A. Somebody was to go out in a short time.

Q. Why didn't they go, why did you wait until I telegraphed down here saying there was a question as to classification?—A. It was all due to the assertions from Mr. MacLachlan that the material could not be classified in any other way. I beg your pardon; this letter states 27,000 cu. yards.

Q. The printed copy of the evidence shows the letter as stating 28,000 yards.

*By the Chairman:*

Q. There may be a mistake.—A. This is the original letter.

Q. Or a copy?—A. No, this is the original signed letter.

The CHAIRMAN: It must be a mistake in the printed copy. The original letter gives 27,000 yards.

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*By Mr. Barnard:*

Q. You were not suspicious then, were you, that there was anything wrong?—  
A. No, we were not suspicious that there was any crookedness about it.

Q. Why were you thinking there should be an investigation?—A. It is usual, when there is such excess quantities, that it must be investigated at some time or other.

Q. In that case, why did you go on passing the estimates when you were talking about having an investigation?—A. I cannot explain that very well.

*By Mr. Kyte:*

Q. Mr. Valiquet, have you anything to do with passing estimates?—A. No, sir.

Mr. KYTE: Then you do not pass any estimates.

Mr. BARNARD: The Department does; I am not speaking of him.

Mr. KYTE: You have it wrong then.

The CHAIRMAN: The witness can answer; he knows the rules of the Department.

*By Mr. Barnard:*

Q. You gave direct instructions on the 30th August that you saw no other course? In reply to his previous letter you write: (Reads)

“Mr. Lafleur has handed to me your letter of the 20th inst., regarding the quantity of rock to be excavated over that stated in the schedule for the construction of wharves at Victoria. He does not wish to write you officially on the subject, but wishes to know what the excess will be. He has asked me to get the information privately, so please let me know what you think it will be.”

Then you go on and say:

“I see no other course for you to follow but to return the quantity excavated in the progress estimates as the contractors must be paid for the work performed.”

Do you, or do you not, think that was an intimation to him that everything was all right?—A. Well, the returning of certain quantities of materials in estimates does not always constitute the necessity of paying for it.

Q. That is not an answer to the question, Mr. Valiquet. The question I asked you was, whether or not he was justified in considering, under these circumstances, that he should so classify the materials?—A. As far as he was concerned he was justified.

Q. That is your opinion?—A. Yes.

Q. Now, in your report, I notice you state on p. 2 (reads):

“The earth excavation, amounting to about 32,000 cubic yards, was done by an ordinary clamshell; this plant could not, however, excavate the harder conglomerate; a five ton clamshell was brought from Vancouver; after several days' trial it was sent back and a powerful dipper dredge was tried. After serious efforts, during which three spuds and several dipper teeth were broken, the contractors and the resident engineer decided that blasting had to be resorted to.”

A. That is all from information received from Mr. MacLachlan.

*By Mr. Kyte:*

Q. Who was a partner in the contract?—A. Yes.

Mr. BARNARD: That is not admitted. It is strenuously denied.

*By Mr. Barnard:*

Q. Did you say “yes” to Mr. Kyte's question?—A. I did not answer Mr. Kyte.

(The reporter read Mr. Kyte's question and the answer of the witness thereto.)

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*By Mr. Barnard:*

Q. You did not say that Mr. Maclachlan was a partner?—A. I do not know that he was; I do not know anything about it.

*By Mr. Kyte:*

Q. You heard the evidence the other day?—A. Yes.

Q. You heard evidence to that effect?—A. Oh, yes.

Mr. KYTE: That is why he had it in his mind. There is no use trying to trap the witness.

The CHAIRMAN: As a matter of fact, this witness says he knows nothing at all about it.

The WITNESS: I did not understand Mr. Kyte to say it. I did not understand Mr. Kyte to ask such a question.

*By Mr. Barnard:*

Q. Then you do not know that three spuds and several teeth in the dipper were broken?—A. I was told that.

Q. If they were broken, as a matter of fact, would they break in material that could be moved by a dredge?—A. Not likely.

Q. Now you took the dredge out on the work, did you not?—A. Yes.

Q. What dredge was it?—A. The *Puget Sound*.

Q. That is the same dredge that had been employed by the contractor?—A. Yes. I was told it had been employed by him.

Q. I do not think there is any dispute as to that. Mr. Davy said that they took you and put you, with that dredge, digging straight on the face of the rock cut; what do you say as to that?—A. It was put there, not at first:

Q. But when you broke the teeth?—A. Yes, it was on the rock, yes.

Q. Did they take you straight to the rock cut?—A. No.

Q. Did they take you to the rock cut and break the teeth of the dipper?—A. No, no; they tried at first on the material that had been blasted, that is where they tried it first.

Q. They tried it on material that had been blasted?—A. Yes. I was not satisfied with that; I wanted them to put the dredge where I could find this hard material.

Q. What happened?—A. They had put it on the bank of the cut afterwards, and I found that the bucket first struck rock in the bottom and was knocking it, and also scraped in the bank of the rock for a certain distance, and when it came near the top it struck what I thought to be this hard material and brought up just a very small quantity of gravel and small boulders. I took that to be the hard material that had been described by Mr. Maclachlan.

Q. Yes, and it was stuff that could not be dredged?—A. That stuff I do not think could have been dredged by any dredge.

Q. And that was the foundation of that report?—A. Yes, from that information.

Q. Now then the suggestion by Mr. Davy that they endeavoured to pull the wool over your eyes by taking you right direct down there on the edge of the rock cut instead of the hard material I suppose you would not accept?—A. Not altogether, no.

Q. You think he is mistaken in regard to that?—A. Yes, in that particular spot, and Mr. Davy knows himself that he found there at that particular spot some hard material. Of course it cannot be taken as a sample of the material that was found over the whole area to be dredged.

Q. But you have no reason to doubt that it was all over the ground, have you?—A. At that particular spot there was some hard material.

Q. Have you any reason to doubt that the same material extended more or less over the whole of that area?—A. I cannot say anything about it, I was not there when it was done.

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Q. You have no reason to doubt it?—A. I have, at the present time, yes.

Q. Why now?—A. Because it has been gone into to a greater extent than I went into it.

Q. When you were out there why did you not go into it to a greater extent?—A. I thought I had got everything I wanted.

Q. You are just as competent, I take it, to form an opinion upon this matter as Mr. St. Laurent. I do not suppose you take off your hat to him as an engineer, would you?—A. I took, fortunately, the same way as he did to go into it.

Q. And you came to a different conclusion?—A. Because I was deceived, in a way.

Q. You were deceived?—A. Yes.

Q. Now who deceived you?—A. The information I got out there deceived me.

Q. Who deceived you?—A. Well, Mr. MacLachlan, and the contractors to a certain extent.

*By Mr. Kyte:*

Q. Did Mr. Nelson deceive you?—A. No.

*By Mr. Barnard:*

Q. Now, you got there on a Saturday afternoon?—A. Yes.

Q. And you spent most of Sunday with the contractors, did you not?—A. No, with Mr. MacLachlan.

Q. Now in what respect did he deceive you?—A. In several respects.

Q. Let us have them?—A. As to the class of work that had been done by the dredges.

Q. What did he say about that?—A. The class of dredges.

Q. What did he say about the class of work that had been done by the dredges?—A. I was told that the *Puget Sound* had been tried on this material as well as the clamshell.

Q. And now you think she was not?—A. I do now.

Q. If it developed that you are mistaken in that, and that she was tried on it before it was shot, what would you say as to that? Would it make any difference in your opinion now?—A. No, not as to classification.

Q. Well, then, that is not the reason for changing your mind?—A. Yes, that is the reason.

Q. It is the reason for changing your mind?—A. Yes.

Q. Although you say it would not make any difference if it had not been done?—A. Well—

*By the Chairman:*

Q. It is either one way or the other, it cannot be both.—A. I do not understand exactly what Mr. Barnard says.

*By Mr. Barnard:*

Q. You told us that it would not make any difference in your opinion if you discovered that the dredge had been put on there before the material was blasted, is that right?—A. No, because I believe she could have removed it.

Q. You do?—A. Yes.

Q. Did you tell us a little while ago that your reason for changing your mind was that you had been deceived, and that the material had been blasted before the dredge was put on it? You do not mean that, do you?—A. Oh, yes, it comes to the same thing.

Q. Oh, it does?—A. Yes.

*By the Chairman:*

Q. What was the particular way in which they had deceived you? What was the deceit?—A. By asserting that this material could not be removed by any dredge.

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*By Mr. Barnard:*

Q. That was what you went out there to find out?—A. Yes.

Q. Why did you not find it out?—A. I tried to find it out.

Q. Mr. St. Laurent went out and because he thinks he found out you are willing to change your view?—A. Not because he found out.

Q. Will you tell us why you changed your mind?—A. Because it has been proved that the material wasn't what it was stated to me to be.

Q. Who proved it?—A. Well, Mr. St. Laurent's investigation.

Q. Now, you are basing all your evidence on Mr. St. Laurent's report, not on what you know yourself?—A. Well, not on what I found out at the time, of course.

Q. So that he was able to find out things that you could not find out?—A. Yes.

Q. Now, there was no limit given to you as to the time this investigation was to take?—A. It was to be done in as short a time as possible..

Q. Who told you that?—A. I understood that from the Chief Engineer.

Q. The Chief Engineer gave you instructions to do this as quickly as you could?—A. Yes.

Q. So you were to go out there and investigate a matter involving some \$200,000, you stayed there three and a half days, and came back and made a report. Do you think that you did give the matter the amount of attention that it deserved?—A. Yes, I was satisfied at the time that was right.

Q. And you feel quite easy in your mind as to the method in which you conducted this investigation and the conclusion at which you arrived. You remember that I suggested you should get a diver to go down and examine the cut?—A. Yes, you did.

Q. And you said—A. It would be no good.

Q. And you still think that?—A. Yes, when I got there all this material had been removed.

Q. And you told me you would go on the dredge yourself, that you had so much experience that they could not fool you. That was your statement, wasn't it?—A. I certainly thought it at the time.

Q. Yet you think now you were wrong, is that right?—A. Not altogether, I was misinformed.

Q. Well, if you were not fooled altogether why did you make this report?—A. From the information that has been received since.

Q. Oh, yes, you're coming to that conclusion now, not on what you know, but on what somebody else has given evidence, on what somebody else has found since that time?—A. Some of it, yes.

Q. Is it not altogether that with regard to the change of your views?—A. Not altogether.

Q. Did you hold, when making your report, the same views you are holding now?—A. No, I did not.

Q. And you are basing it now on what you heard in this Committee, isn't that so?—A. To a certain extent, yes.

Q. So that you are judging as to the truth or falsity of this evidence that you heard here. Supposing there are a dozen witnesses come here and swear there was hard pan would you change your view again?—A. No.

Q. Now you state here in your report "With a view of obtaining personal information about the nature of the materials, the dredge was ordered to the site" selected by you, "and placed near the edge of the cut that had been excavated. After getting a few dippers full of loose material the hard bank of conglomerate was struck and a dipper tooth was broken"; you remember that?—A. Yes.

Q. "After repeated trials in my presence I was satisfied that the excavation with a dredge was impracticable." Now, how long did you have the dredge at work?—A. About two hours.

Q. And you made a report on the strength of that?—A. Yes.

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Q. "A sharp-pointed steel rod was then procured and from a row boat repeated trials were made to penetrate the bottom consisting of the same kind of material. After going through 15 to 18 inches of soft ground no impression could be made by repeated blows the sharp point," that is correct?—A. That is correct.

Q. Do you think they were tapping solid rock with this sharp rod of yours? Do you think they had put that down on solid rock with the idea that you would not find it?—A. No, it was not solid rock.

Q. What was it?—A. It was some gravel, pebbles, small stones.

Q. It was hard pan, wasn't it?—A. It was not hard pan.

Q. It was stuff that could not be dredged?—A. It was stuff that could not be gone through with a sharp rod.

Q. It was stuff that could not be dredged with a dipper dredge?—A. I would not say that.

Q. Is not that the only reason you gave for saying that you were satisfied that excavation by a dredge was not practicable?—A. It is quite possible that at that particular place this material could not have been dredged.

Q. You did not go out to dredge that particular spot, but to see if there was stealing going on in connection with the classification all over the work?—A. Yes, but the whole of the material had been removed when I got there.

Q. Yes, but you were satisfied that excavation by a dredge was impracticable, were you not?—A. Yes.

Q. Then you say that if your sharp pointed steel rod would not go through this material that was one of your reasons for saying that excavation by a dredge was impossible?—A. Yes, that is so.

Q. And then I asked whether they were pulling your leg there by putting that rod down on the rock?—A. It was not down on the rock.

Q. It was not?—A. No.

Q. Would you say that stuff was dredgeable—have you changed your mind on that all?—A. It is quite possible at that spot it could not be dredged.

Q. Did you try to find out at any other spot?—A. No, there is not any other spot to try at.

Q. And you were satisfied that was sufficient to enable you to base a report upon it involving the payment of \$175,000?—A. Yes, quite satisfied.

Q. Now, Mr. MacLachlan did not deceive you there, did he?—A. Not in that particular trial, no.

Q. Did you ask him to make any other trial?—A. No.

Q. Then he did not deceive you very much?—A. No, not in that particular spot.

The CHAIRMAN: What other point did he deceive the witness in?

*By Mr. Barnard:*

Q. Where else were you deceived?

The CHAIRMAN: By Mr. MacLachlan?

A. Well, I have told you before that as to the trials with the dredges and also—

Q. As to the power of the dredges?—A. As to the trials, and he also told me that large pieces of this conglomerate had been brought up.

Q. Do you know that they had not been?—A. I could not see them, I wanted to.

*By Mr. Kyte:*

Q. Do you say you asked him to show you and he could not show you these pieces?—A. Yes.

*By Mr. Barnard:*

Q. Where did you expect to find them?—A. On land somewhere, I thought they would have been kept so as to show.

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Q. Why would he have kept them?—A. So as to prove there was such material there.

Q. Why would he expect or think that the classification was going to be questioned?—A. He might have thought so, yes.

Q. He told you three months before what kind of stuff there was going to be and you said "all right," now why should he keep the material?—A. To show whoever would go there at his request.

Q. Nobody would go there at his request?—A. He was asking for somebody to go.

Q. Nobody ever intended to go there because of any request from Mr. MacLachlan. You did not go there because of his request?—A. Oh, certainly.

Q. Would conglomerate disintegrate in water?—A. To a certain extent it would be disintegrated by the blasting.

Q. Then it would not disintegrate to such an extent that you could not tell what it was?—A. Oh, yes.

Q. Then what was the good of keeping it there after blasting?—A. Some pieces would remain whole and those pieces could have been kept on shore.

Q. If those pieces were kept whole you would not be able to see them on the dump itself?—A. Not likely, because at that time they would have been moved and put into scows and from the scows dumped into the bottom, and that of course would tend to disintegrate them.

Q. Would it not have been worth trying to find them?—A. Yes, if you were sure they were in a certain place then you would have to look for them.

Q. Have you not a limit where there was a dump made for this material?—A. There was quite a large area.

Q. Do you think it would have been worth while examining the dump to see if there was conglomerate there?—A. It might have, yes.

Q. But you would not do it?—A. I did not do it, no.

Q. I asked you to do it?—A. I do not know.

Mr. BARNARD: Well, I did.

*By the Chairman:*

Q. Did he not ask you to put on divers to go down and see?—A. Yes, he suggested a diver.

Q. Did you think at the time that in order to determine whether there was conglomerate or not, you should have seen these chunks?—A. It would have gone a great way if they were there.

Q. Why did you not make an examination to find out if there were chunks?—A. Because I did not think I could find them. I asked Mr. MacLachlan.

Q. The fact you could not find them, would that not have been evidence that there was conglomerate?—A. Not necessarily.

*By Mr. Pringle:*

Q. Mr. Valiquet, how long an experience have you had as an engineer?—A. Thirty-five years, in a practical way.

Q. Now, you have read the specifications?—A. Yes.

Q. And the specification reads as follows: "The material to be excavated consist of earth and rock, which shall be removed separately by two operations, of ordinary dredging and blasting"?—A. Yes.

Q. So that your interpretation of the specification would be that all material which could not be removed by "ordinary dredging" would be classified as rock?—A. Yes.

Q. Now, I notice in Mr. St. Laurent's report, that he does not refer to that part of the specification, but only refers to the portion of the specification which says that all materials overlying the rock that can be removed with a dredge shall be considered as earth. But reading the two, together, your interpretation would be that an ordinary dredge—A. Yes, an ordinary dredge.



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Q. Now then, Mr. St. Laurent again in his report does not seem to think there were fair dredges on the coast?—A. The *Puget Sound* is an ordinary dredge.

Q. An ordinary dredge?—A. Yes.

Q. And if this material could not be removed by the *Puget Sound* then it should be classified as rock?—A. Yes.

Q. Under that interpretation?—A. After it has been well tried.

Q. Now, of course, you all can see that the quantity of rock had been very much underestimated?—A. Yes, in the first estimate.

Q. The total estimate for rock was only some 4,300 yards, and Mr. St. Laurent finds that there has been excavated up to the present time some 13,600 yards. There is no question about that?—A. No.

Q. Do you agree with Mr. St. Laurent that the definition of the two classes of materials is too vague and leaves too much of the personal factor?—A. No, I do not think it is very vague.

Q. You do not think it is vague?—A. No.

Q. Now, who is the better man to classify, the man who is on the ground every day and is watching the work, or an outsider who comes on after the completion of the work?—A. The man on the ground is more competent, if he takes the pains to ascertain it.

Q. As a matter of fact, according to the specifications, it is set out that the resident engineer is, at least, in the first place, to be the judge of classification?—A. Yes, he is to be the judge of classification.

Q. He is to be the judge of classification. Now, I am not going over these letters again, but on the 20th August, when that letter was written by Mr. Maclachlan, that was really the first time this question came up, as to the question of classification?—A. Yes.

Q. That was the first time Mr. Maclachlan found that the rock was going to largely over-run the estimate, and submitted it fairly to your Department?—A. Yes.

Q. And you acknowledged the receipt of the letter, and practically agreed with his classification?—A. Asked him for more information about it.

Q. And you got the information?—A. Yes.

Q. Now, you knew this, didn't you, that there had been, we will say, an ordinary dredge on that work prior to your going out there?—A. I understood there had been.

Q. You understood that, yes. When you went out there arrangements were made for the Pacific Coast Dredging Co.'s dredge to be on the site of the work. That was the same dredge?—A. Yes.

Q. The *Puget Sound*. And you had it moved to different places on the site, or did you only have it moved to one place?—A. It worked in two places.

Q. And your test in those two places confirmed Maclachlan's report?—A. The first trial did not confirm it at all.

Q. What did you say?—A. The first trial with the dredge did not confirm that at all.

Q. You made no statement of that in your report, did you?—A. Well, I do not know that I did.

Q. You do not know that you did. I think I have your report here, dated December 9, 1915. Now, I see Mr. St. Laurent does not impute any dishonesty in any way to Resident Engineer Maclachlan in his report. He thinks that Mr. Maclachlan was perfectly honest in his opinion, although, he thinks, mistaken. You do not impute any dishonesty to Mr. Maclachlan, the resident engineer?—A. Not that I know of.

Q. It was purely a matter of judgment, exercised by the man who was bound to exercise his judgment on classification, and he exercised that judgment, and you confirmed the judgment that he exercised?—A. At that time, yes.

Q. You do not agree with Mr. St. Laurent that the classification is too vague?—A. No.

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Q. I see that Mr. St. Laurent says (reads): "For this reason, convinced of the sincerity of the Engineer in his decision regarding classification, whether right or wrong," etc. Now, you were convinced of the sincerity of the engineer, Mr. Mac-lachlan, in regard to his classification?—A. Yes, I was at that time.

Q. Is it now almost an absolute impossibility to say whether Mr. Mac-lachlan was in error or not? Is it not almost a physical impossibility to ascertain whether he was in error or not?—A. Well, no; I do not think it is an impossibility.

Q. Will you tell us how you could ascertain? This material has all been removed?—A. By the mode of working it. Of course, it can be found by inference.

Q. Have you found that mode yet?—A. I did not find it, no.

Q. You have not found it yet? Let me just go through this shortly again. Mr. Mac-lachlan was the man fully charged with the responsibility of making the classification, no question about that is there, on the 20th August? On the 20th day of August he sends in an estimate making a classification and calling the attention of the Chief Engineer to his difficulty in regard to classifying this material, and he asks to have the matter considered; that is correct, is it not?—A. Yes, he did.

Q. And you immediately wrote back to him approving of that classification?—A. No, I did not approve of it, only asked for more information.

Q. You did not in any way tell him to hold back his estimate or his classification?—A. No.

Q. Now did not Mr. Mac-lachlan tell you that he had tested this material in different ways, that he had not only tested it with the ordinary dredge, but he had already dredged with the clamshells and found he could not do anything with it, that he had tested it with the ordinary dredge and also with the drills?—A. No.

Q. I understood from Mr. Mac-lachlan that there was a four and a half ton weight on the top of this drill, and he tested it with that drill. Would not that be a pretty good test?—A. Yes, it would be, provided the drill did not go down too fast.

Q. But if he found that the drill would not penetrate the material with that weight on it would you not consider it was pretty hard material?—A. Oh, yes, gravel will do that, you know, ordinary gravel.

Q. Gravel will do that, will it?—A. Yes.

Q. How many of these estimates did you pass on to the accountant for payment before Mr. St. Laurent's report came in?—A. I did not pass any myself.

Q. Who passed them, the Chief Engineer?—A. I understand there were four of them passed.

Q. You were aware of this fact that Grant, Smith and Company and Macdonell Limited were the original contractors?—A. Yes.

Q. And you were aware that they had sublet this work?—A. Yes.

Q. And you were aware that they were paying their sub-contractors just as they received the money from the Department?—A. Well, I was not aware of it, but they are supposed to do it.

Q. They are supposed to do that?—A. Yes.

Q. Would it not have been fair to the original contractors, Grant, Smith and Company and Macdonell Limited, to have notified them that there was some difficulty in regard to the classification, and that it would be better for them not to pay their sub-contractors instead of allowing them to pay \$40,000 or \$50,000 on estimates which were passed by your Chief Engineer? Instead of that no notice was sent to them, was it?—A. I suppose it would have been fair to do it.

*By the Chairman:*

Q. You said, Mr. Valiquet, that you thought Mr. Mallory was a sorehead, you had some reason for that, I suppose. Will you tell us what your reasons were?—A. I was informed just as soon as I got there that he had been dismissed by his employer.

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Mr. KYTE: I object to that statement of hearsay about Mr. Mallory being accepted as evidence.

Q. You were sent out there to make investigation?—A. Yes.

Q. And among other things you investigated this question about his being a sore-head?—A. Well, on that question, from the information that I got I believe that he was a sorehead and I relied entirely, or almost entirely on Mr. Maclachlan's information for that reason.

Q. Now you say that he was a sorehead; with whom did he seem to be sore?—A. He seemed to be sore on the sub-contractors.

Q. Were they his employers?—A. With C. E. MacDonald, his employer.

Q. He seemed to be sore with his employer and he was then in his employ?—A. Not at that time, when I saw him, because he had been dismissed, or had left, and from the fact that he had taken some papers from C. E. MacDonald's office it showed that he must have made some report.

Q. And that was the reason that, knowing that he and his employers were "out" you did not feel justified in relying much on these statements that he made?—A. Exactly.

Q. You wanted to get independent evidence?—A. Yes.

*By Mr. Barnard:*

Q. You said that you did rely altogether on Mr. Maclachlan?—A. Yes.

Q. And it was on account of what he told you that you thought Mallory was a sorehead?

The CHAIRMAN: No, he said on account of what Mallory told him.

*By Mr. Barnard:*

Q. Now you had information and documents placed before you which showed you that Mallory was accusing Mr. Maclachlan of very grave irregularities, didn't you?—A. Yes.

Q. And at that time you were quite prepared to accept Mr. Maclachlan's word for everything that he told you notwithstanding Mr. Mallory's statement?—A. Mr. Maclachlan, from those papers, is not in there at all, these papers concerned C. E. MacDonald, Nelson and somebody else. At that time I did not know that Mr. Maclachlan was concerned in them at all.

Q. Here is a letter from C. E. MacDonald to Nelson telling Nelson to go down and give Maclachlan a good talking to about estimates. Did I call that particularly to your attention?—A. Yes, you did.

Q. You appreciate what that meant, did you not?—A. No, because it did not mean much. It might mean a great deal to these contractors, but it might not mean anything as far as Maclachlan was concerned.

Q. Then there was a slip in there which Mallory alleged that MacDonald had dictated to him giving instructions to make up a certain estimate for the month and telling him to charge 33½ per cent over and above all expenses, you saw that slip?—A. I do not remember seeing it.

Q. You don't remember?—A. No.

Q. It was in the papers and was before you. Would you consider that was anything which would throw suspicion upon Maclachlan in your mind?—A. You would have to consider what relation Maclachlan had with the others.

Q. He was resident engineer on the work and here was the contractor telling his bookkeeper—A. But he was not supposed to be any connection.

Q. Here was the contractor telling the bookkeeper to make out an estimate for 33½ per cent over and above all work that had been done. Would not that be sufficient to throw suspicion upon Maclachlan?—A. It would.

Q. That was all before you?—A. I did not see that particular slip.

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Q. It was there?—A. I did not see it at the time; it might be there I did not go over them all, there were so many of them.

Q. Well, will you look at that slip? (Document handed to witness.) You had that in your possession for three days.—A. I never opened them after leaving your office, because I never intended to use them. (After examining slip.) I don't remember seeing that at the time.

Q. You don't remember seeing that?—A. No.

Q. You had these documents with you for three days?—A. Yes, I had them, but I never looked at them any more than I did in your office.

Q. You didn't?—A. No.

Q. Well then, you threw yourself into the hands of Maclachlan?—A. Practically yes.

Q. Were you not there to see whether Maclachlan was straight or not?—A. I never heard any accusation about Maclachlan being a partner in the contract when I was in Victoria.

Q. Not even from Mallory?—A. Not from Mallory, no.

*By the Chairman:*

Q. Didn't he mention it to you?—A. He did not mention it.

Q. Did he not have his diary?—A. No.

*By Mr. Barnard:*

Q. To be perfectly just to Mallory, did you give him a chance?—A. I don't suppose I did. No, I don't think I did.

*By Mr. Kyte:*

Q. You had no authority to make any investigation except as an engineer?—A. That is all, yes.

Q. And as to classification?—A. Yes, sir.

Q. The first intimation you had that there was anything wrong was when Maclachlan demanded the extra classification of rock on the 20th August?—A. Yes.

Q. There was still a considerable portion of the work to do?—A. When this letter reached us about the 25th August there was a large quantity, I should say more than 50 per cent, of the work done.

Q. So that if they were overpaid on the August estimates you had lots of chance to catch them up on the subsequent payments?—A. Yes.

Q. So it was not necessary, as a matter of fact, to stop work on the 20th of August in order to save the Department?—A. No, there was no necessity for that.

Q. When you went out to Victoria you quite naturally went to the Resident Engineer?—A. Yes.

Q. You had no suspicion of anything improper at that time?—A. No.

Q. You had no suspicion that his interests were adverse to the interests of the Department?—A. No.

Q. The information contained in your report as to what was done to test the classification was based upon information obtained from Maclachlan?—A. Yes.

Q. You state in your report (reads):

"The earth excavation, amounting to about 32,000 cubic yards, was done by an ordinary clamshell; this plant could not, however, excavate the harder conglomerate; a five-ton clamshell was brought from Vancouver; after several days' trial it was sent back and a powerful dipper dredge was tried. After serious efforts, during which three spuds and several dipper teeth were broken, the contractors and the Resident Engineer decided that blasting had to be resorted to."

That was information you obtained entirely from Maclachlan?—A. Yes.

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Q. You had no knowledge at the time as to whether it was correct?—A. I had not.

Q. And you had no ground for suspecting that Maclachlan would tell anything but the truth?—A. That is so. I told Mr. Maclachlan at the time that I would mention that all this was from his information.

Q. There was a discrepancy as to the quantity of rock reported on from the first survey and the survey made after. The first referred to 4,000 yards, I think.—A. It was all the same survey.

Q. But the area was extended afterwards?—A. Yes.

Q. Which accounted for the increase from 4,000 to 13,000 yards?—A. The plan at first was not very clear as to the extent over which the rock had to be excavated.

Q. Yes?—A. And it was after a further examination of the plan that it was found that the rock did extend over what we had considered first.

Q. That accounts for the difference?—A. Exactly.

Q. In the yardage of the rock?—A. Yes.

*By the Chairman:*

Q. It accounts for the difference between the 4,000 and the 13,000 yards?—A. Yes, that is what it does.

*By Mr. Kyte:*

Q. You referred to having conceived the impression that Mallory was dissatisfied, in other words, that he was a "sore head." Who gave you this impression?—A. Both the contractors and Maclachlan.

Q. Did you go to see Mr. Barnard when you went to Victoria?—A. I saw Mr. Barnard, yes.

Q. Did you meet the contractors in his office?—A. No, I met Mr. Mallory there.

Q. Did Mr. Barnard think at the time that Mallory was a sorehead?—A. Well, he gave me that impression himself.

Q. So then you got the impression from Mr. Barnard that Mr. Mallory was a sore head?—A. He did not use that very word.

Q. I understand, but he gave you that impression?—A. I got the impression then.

Q. So you got the impression from Mr. Barnard and the sub-contractors?—A. Not the sub-contractors but the main contractors.

Q. The main contractors?—A. Yes.

*By the Chairman:*

Q. You also said you got it from Mallory himself, is that right?—A. Yes, also from Mallory.

*By Mr. Kyte:*

Q. You knew that Mallory and the sub-contractors had had a disagreement?—A. Yes.

Q. And in view of the information you got from Mr. Barnard that Mallory was a sore head you thought Mallory's own statement confirmed it?—A. Yes.

Q. When you went out there to make this examination as to classification, who told you where to place the dredge?—A. Well, they placed the dredge themselves.

Q. Who?—A. The contractors or Mr. Maclachlan—

Q. Mr. Maclachlan?—A. Yes, at the suggestion of the contractors placed the dredge. Afterwards I suggested that it be put against the bank of the cut. It was there we found that after the dipper had come up a certain distance from the rock it did strike a certain face of hard material which I thought was the material which could not have been dredged by any dredge.

Q. At that particular place?—A. Just at that particular place.

Q. Did you know at the time of the large amount which had been dredged for rock by the sub-contractors?—A. Oh, yes, the work had been completed when I got

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there. That is what I was told, that all the material that had to be excavated had been removed by blasting and by dredging.

Q. You did not know at the time that they had taken a lot of the material without blasting?—A. Oh, yes, it was the same material I spoke of, the 30,000 yards.

Q. Here is what your report says (reads):

—“A sharp-pointed steel rod was then procured and from a rowboat repeated trials were made to penetrate the bottom, consisting of the same kind of material. After going through 15 to 18 inches of soft ground, no impression could be made by repeated blows of the sharp point.”

Q. From what information did you base your statement in that report?—A. I got it myself.

Q. That has reference to a test you made yourself?—A. Yes.

Q. When you went out there the second time?—A. Yes.

Q. In endeavouring to penetrate this material with the rod, I suppose if the rod came in contact with a boulder it could not get any further?—A. No, no, of course.

Q. Then this investigation was not a final one as to the quality of the material?—A. My impression was at the time, after making the trial, that there was some hard material there which possibly could not have been removed by a dredge, but that was only a short distance from where Mr. Davy had reported from his borings that he had met some hard material there.

Q. This might have been just a pocket between the pinnacles of the rock?—A. Of course it was only a small area that was tried.

Q. What was the substance of the conversation you had with Mallory when you went out there?—A. Well, he first made these accusations and I put him—

Q. What accusations?—A. That this material could have been dredged, removed by a dredge.

Q. Yes?—A. Afterwards, I asked him what experience he had had in dredging.

Q. Yes?—A. He told me that he had had no experience at all in dredging, that all his experience in excavation consisted in steam-shovel work on railways.

Q. Did you ask Mr. Mallory to come and assist you in making your examination?—A. No, I did not.

Q. Or to assist you in making your report?—A. No.

Q. Well were you encouraged to invite Mr. Mallory's co-operation by Mr. Barnard and the sub-contractors?—A. Not that I know of.

Q. Did Mr. Mallory give you any hint as to how your investigation should be conducted?—A. No.

Q. Did he offer any suggestions to you?—A. No.

Q. And you did not encourage him to make any suggestions?—A. No.

*By Mr. Barnard:*

Q. Did you not tell us a little while ago that I suggested to you that Mallory should go out with you?—A. I do not think it.

Q. I think when you see this record in print you will find you did?—A. I do not think you did suggest it.

Q. Well, I did?—A. I hardly think you did.

*By the Chairman:*

Q. Would you have taken him out if he had suggested it?—A. I do not think it.

Mr. BARNARD: He said he did not want him.

*By Mr. Pringle:*

Q. You were unquestionably put on your guard by Mallory, that is he intimated to you that there was a possibility that there was something wrong in that classification?—A. Oh, yes.

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Q. No doubt about that. Having that intimation, and also having had Mr. Barnard explain the position to you, you went on and made your inspection, you were satisfied that the classification of dredging allowed for Victoria piers is correct according to specification?

*By Mr. Kyte:*

Q. And you were thrown off your guard on the suggestion of Mr. Barnard and the contractors that Mallory was a sorehead.

The CHAIRMAN: You cannot ask the witness two questions. He has not answered Mr. Pringle's question.

*By Mr. Kyte:*

Q. Is that not true, Mr. Valiquet?

The CHAIRMAN: Let him answer the first question. He may say yes or no, I do not know.

Mr. PRINGLE: I thought he did myself.

The WITNESS: At that time, I was satisfied that the classification was correct.

*By Mr. Pringle:*

Q. Was correct?—A. At that time.

Q. And you were on your guard because you had been warned, and consequently you made a careful inspection, and you were satisfied the classification was correct.

*By Mr. Kyte:*

Q. Is it not true you were thrown off your guard as to the disinterestedness of Mallory by the suggestion that he was a sorehead?—A. Well, I was partly thrown off my guard, yes.

Q. And the suggestion came from Mr. Barnard and the sub-contractors?—A. Although I did not pay much attention, I paid no attention to that so far as the investigation was concerned; it did not affect my finding of it in any way.

Q. No. It discounted your confidence in Mr. Mallory's statement?—A. Yes.

*By Mr. Barnard:*

Q. Now, Mr. Valiquet, will you tell me what I said to you that indicated that I did not want you to make a full and complete investigation?

The CHAIRMAN: I do not think he suggests that.

*By Mr. Barnard:*

Q. Did I say anything to you that indicated that I did not want a full and complete investigation?—A. No, you never said anything.

Q. Did I, or did I not, show dissatisfaction with you for making what I considered was a very sketchy investigation?—A. You certainly impressed on me the idea that the investigation should be full.

Q. When you came to my office—you arrived in Victoria on Saturday, and came to see me on Monday—you had been with either the contractors or the engineers the day before?—A. Yes.

Q. The first thing you said to me was "This man, Mallory, is a sorehead." Is that right?—A. I may have said that from the information I got.

Q. What reply did I make?—A. I do not know that you made any reply. You said that he had been to see you before that, and told—

Q. Of course he had. It was on his information that I sent the telegram.

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*By Mr. Carvell:*

Q. And told what?—you were going to add something?—A. He had told me that certain things had happened between the contractors and Mallory which made me think he was a sorehead.

*By Mr. Barnard:*

Q. I do not remember that. I may have. Didn't I produce to you all those documents?—A. Yes.

Q. And was not the effect of the conversation, that even if he is, to look at the documents? Was I not basing the suggestion that there was anything wrong on these documents? not on what Mallory said?—A. You said——

Q. You never looked at them again?—A. Not after leaving your office, because I did not intend, from the time you spoke about it, to go into—to investigate it at all.

*By the Chairman:*

Q. He produced the documents to endeavour to make a full investigation?—A. That is what he wanted, because I did not want to go into it because I had no instructions. That was the first time I had ever heard anything about it, when I got to Vancouver, and after I saw Mr. Stevens, he knew all about it; he told me that the Minister intended to go into this matter, and that decided me not to look into it at all, so I returned the documents to Mr. Barnard.

*By Hon. Mr. Crothers:*

Q. Do you know who made the estimate of the material to be removed before the contract was entered into?—A. It was made by the man who prepared the plans, yes.

Q. Do you know who he was?—A. Mr. Miles.

Q. Is he a competent engineer?—A. Yes, very.

Q. And it would be his duty to make a sufficient examination of this material to enable him to state approximately the quantities of earth and rock respectively?—A. Well, he could not make an examination of the material itself; he was working on the plans only.

Q. Who made the examination out there then?—A. Mr. Davy took the borings at first.

Q. Is he a competent engineer?—A. Yes.

Q. In trying to ascertain the quantities of rock and other material, should he make such an investigation as to enable him to reach approximately the quantities of the various materials?—A. Yes, and he did, too.

Q. And he reported 4,300 cubic yards?—A. Not he——. Mr. Davy did not report that.

Q. Who did? That is what I am trying to get at?—A. The man who prepared the amount?

Q. The man who prepared the plans in Ottawa would not report the quantity of rock in Victoria Harbour. There must have been somebody to investigate it there.—A. The plans were first.

Q. Never mind the plans. Who investigated the conditions of the work to be done there as to the quantity of rock and other material to be removed? Who did that work on the ground?—A. Mr. Davy did.

Q. He is a competent engineer?—A. Yes.

Q. Was it his duty then to make such an examination as to enable him to report to the Government approximately the quantity of these different kinds of material?—A. He did not report on the quantities.

Q. What did he go out there for?—A. Just to find out and show on the plan where the rock was.

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Q. Who made the calculation as to the quantity of rock?—A. Miles did, from the plans.

Q. And the plans would enable him to do that if they were properly prepared by Davy?—A. Yes.

Q. He reported 4,300 cubic yards?—A. Yes.

Q. How much rock had been allowed for in the progress estimates up until the time you wrote this report on the 9th December?—A. There had been, well, I cannot say how much.

Q. Somewhere about 32,000 cubic yards?—A. Yes, likely.

Q. About 32,000 cubic yards? Is it possible that the man who made the investigation out there could be as far out in the actual condition as the difference between 4,300 yards and 32,000 yards, if he was an honest man and a skilled man?—A. Well, the man who first made the borings, took the borings, ascertained the level of the rock, and the level of the earth.

Q. Just to make it sure: Your officers reported 4,300 cubic yards of rock to be removed?—A. Yes.

Q. And another officer, MacLachlan, reported that there were 32,000 cubic yards which had been removed. Is that right?—A. The first estimate was not right.

Q. Never mind about that. Is it so, that your officer reported first that there were 4,300 cubic yards to be removed, and another officer reported that there were 32,000 cubic yards, and upon his report the progress estimates were allowed, that is so, is it not?—A. Yes.

Q. Is it possible that all these officers could be skilful and honest and there be such a spread as that between 4,300 and 32,000 cubic yards? Some of them must have been wrong?—A. Surely.

Q. There must have been some incompetence or dishonesty somewhere?—A. Yes, or error.

Q. In your report of the 9th of December you refer to the letter from Mr. MacLachlan as stating that there were 30,000 cubic yards, and you knew at that time that the estimate was 4,300 cubic yards?—A. Yes.

Q. Did that arouse any suspicion in your mind as to Mr. MacLachlan's competence or honesty, one or the other?—A. Well it did, not as to his dishonesty but—

Q. One or the other, he was incompetent or dishonest?—A. Well, it might have been an error.

Q. An error to the extent of the difference between 4,300 and 30,000 cubic yards? Well, you went out to Victoria to get this information, to make an inquiry why there was such a difference between the estimate and the actual amount; you had sufficient suspicion to cause you to do that?—A. Yes.

Q. Well then, do you mean to say that having that information before you that the engineer who made the estimate reported there was 4,300 cubic yards and Mr. MacLachlan had returned up to that time 30,000 cubic yards, was it a proper thing to accept Mr. MacLachlan's statement as to the facts?—A. No, not necessarily.

Q. A man has rather substantial cause for assuming either one of two things— incompetence or dishonesty—you went out to find the truth and you would not accept the statement of a man who, in a sense, was under a cloud like that, would you?—A. No, no, of course not.

Q. Did you make your report on what he said to you or on what you found out from other sources?—A. Partly from what he said and partly from what I found myself.

Q. But according to your report you based a very material part of it upon what he told you?—A. Yes.

Q. The man who was under a cloud?—A. He was not under a cloud at that time.

Q. I thought you admitted that he was; that the difference between the 4,300 cubic yards estimated and the 30,000 cubic yards reported by him caused you to have

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suspicion of either his competency or his honesty?—A. Not necessarily, it might have been an error in the plan.

Q. So that this might be, and everybody come out of it competent and honest, that there should be the difference between 4,300 and 32,000, and yet all be honest and competent with such a spread as that between the estimate and the actual quantity?—A. Errors in plans for such a thing have been shown before.

Q. Nothing dishonest had been shown before, but would a man, competent and fit for his position, make such errors as that?—A. Oh, yes, an honest man could make an error.

Q. And a competent man?—A. Yes.

*By the Chairman:*

Q. How great an error could be made before he was incompetent?

*By Hon. Mr. Crothers:*

Q. Could he make error to the extent of the difference between 4,300 and 30,000?—A. Yes, errors have been made.

*By Mr. Bennett (Simcoe):*

Q. Is it not in Mr. St. Laurent's evidence that it is an actual fact that he found there were 13,000 yards of rock?—A. Yes, that was an error.

*By Hon. Mr. Crothers:*

Q. Now, speaking about "conglomerates" referred to here, Mr. Valiquet, is not that an expression well understood by engineers to be rock?—A. Yes.

Q. So that if it is conglomerate there is no question about whether a dredge could remove it or not, it ought to be reported as rock?—A. Yes.

Q. But you raised the question here about conglomerates in your report. You say that "the earth excavation amounting to about 32,000 cubic yards was done by an ordinary clamshell; this plant could not, however, excavate the harder conglomerate." You never expected any kind of dredge to remove conglomerate which you say is just the same as rock?—A. No.

Q. Why then bring it in there at all?—A. This expression in Mr. MacLachlan's letter "conglomerate" does not convey the idea that it was solid rock.

Q. No, no, what is known as conglomerate?—A. As a rule what is known as conglomerate goes in as rock.

Q. I think it is only fair to point out to you, Mr. Valiquet, the statement contained in your letter of December 9 as Mr. MacLachlan's letter of August 20 does not bear out those statements at all. In your statement of the 9th of December you say: "In a letter dated August 20, the resident engineer, Mr. MacLachlan, reported that a large quantity of hard material, consisting of a conglomeration of cemented stone, gravel and clay," there is not a word of that kind in his letter about "cemented stone, gravel or clay," that could not be removed by dredges, and amounting, together with rock, to about 30,000 cubic yards." There is not a word of that kind in his letter about "30,000 cubic yards" that you are referring to here.—A. There is about 27,000.

Q. No, not in his letter?—A. It is in his letter of the 10th September—I was mixing the two, probably.

Q. So that it is your opinion, Mr. Valiquet, that a man might be a skilful and honest engineer, and still have a spread of the difference between 4,300 and 32,000 cubic yards in his figures?—A. Yes.

Q. So there is not much assurance for the Government when they are trying to find out how much material has to be removed in getting a report from an engineer.

*By Mr. Kyte:*

Q. You stated that a mistake in the amount of rock to be removed might often be made. Now in the first instance in reference to the error in the plan there was no error

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in this plan, as a matter of fact, as was subsequently shown?—A. Not so far as the borings were concerned.

Q. No, then as to the difference between 4,000 cubic yards and 13,000 cubic yards actually taken out, was not that increase due to the fact that the area of dredging was increased as regards the pier heads and the bulk heads?—A. Well, it was not exactly that. The plan did not show very clearly to what extent the excavation was to be made.

Q. There is the plan (plan handed to witness)—A. The original plan only showed here, the length of the bulkhead.

Q. That is at the bottom of what section?—A. Section 1, they call it. The plan only showed this as 75 feet to be excavated, whereas the whole bulkhead was 150 feet long, and therefore the rock had to be excavated over the whole length.

Q. So that is due to the fact that actually more excavation had to be made than was at first thought necessary? It was not due then to any incompetency on the part of the men who made the survey?—A. Oh no, that is what I have been trying to say.

Q. Did you have any communication with the Minister with regard to what your duties were to be when you reached Victoria?—A. Oh no, I did not meet him.

Q. Did you meet him at Winnipeg?—A. No, sir.

Q. Did you have any conversation with Nelson, the Inspector of Dredging?—A. No sir, never met him.

Q. That is, you did not meet him on that trip?—A. Oh no, not on the whole trip.

Q. How did you come to go to Mr. Barnard's office?—A. Because I had—

Q. Immediately on your arrival at Victoria?—A. Because I had to see him regarding the investigation.

Q. And it was there you met the sub-contractors?—A. No.

Q. The contractors, rather.—A. No, not there, just Mallory.

Q. You met Mallory there?—A. Yes.

*By Mr. Pringle, K.C.:*

Q. There is a little mix-up I want to make clear. According to Mr. St. Laurent's report the total quantity of material up to 31st October was 25,286 cubic yards, but of that quantity only 18,164 yards were paid for?—A. Yes.

Q. You said some 30 odd thousand?—A. Well, the 27,000 yards mentioned in MacLachlan's report, which he gives us to understand is the excess, added to four thousand three hundred and something would make up the 32,000 yards.

Q. But in the estimates which were returned, the total quantity returned was 25,286 cubic yards, of which 18,164 yards had been paid for. Then Mr. St. Laurent, as I understand it, allows 13,000 cubic yards, leaving an excess of 5,104 yards in dispute up to the present time as having been paid for. Nothing has been paid for over the 18,164 yards?—A. I don't know as to that, I could not say.

Mr. CARVELL: But according to my recollection about 5,000 yards had been blasted and not dredged, in addition to the 25,000.

The WITNESS: That is in the August estimate.

*By Mr. Pringle, K.C.:*

Q. You tried a steam drill, did you not?—A. Oh no, I never tried a steam drill out there.

Q. You say you examined by means of a sharp-pointed steel rod?—A. Yes.

Q. You tried that?—A. Yes.

Q. Do you think that was a good test?—A. It is in some cases.

Q. If it is not a good test why did you try it?—A. I thought it was a pretty fair test.

Q. You thought it was a good test and that you were using the proper instrument to make the test?—A. Yes.

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Q. You made that test with this steel rod and you found you could make no impression by repeated blows, that is correct, is it not?—A. Yes.

Q. I will not say whether this report of yours is any good or whether it is not, but you say in it that you used the steel rod, that you made repeated blows and that they produced no impression, consequently that tended to confirm your opinion that Maclachlan was right, did it not?—A. Oh, yes.

Q. Why certainly.—A. But it just happened to strike a place where it was rock.

Q. Why did you not strike some other places?—A. Because there were no other places.

Q. There were no other places?—A. The material had all been removed.

Q. The material had all been removed?—A. Yes.

Q. So where the material had all been removed you could not say whether Maclachlan was right or wrong?—A. Except by examining the drilling records.

Q. Well then, you examined the drilling records to see whether Maclachlan was right?—A. Yes.

Q. And having examined all the drilling records you came to the conclusion that Maclachlan was right?—A. I didn't examine them all.

Q. Why did you say you did?—A. I didn't say I did.

Q. Here is what you say in your report (Reads):

"I also examined the very detailed records of the steam drill work kept by the contractors from measurements taken on the drilling rods from the drill scow in the presence of the Government inspectors."

First you made your test with the pointed steel rod, then you made your test with the dredge and then you examined all the records, and having examined everything you could find you came to the conclusion Maclachlan's report was right and you certified that to the Minister. Is that right or wrong?—A. The drilling records were not all examined, I examined a large proportion of them, probably 20 per cent of them.

Q. And after making all that examination you thought you had made sufficient examination?—A. I thought so, yes.

Q. And having made sufficient examination you reported that Maclachlan's classification was right?—A. I thought it was right at the time.

Q. You thought it was right at the time?—A. Yes.

Q. Do you agree with Mr. St. Laurent when he says (Reads):

"After the most careful inspection of the office records, discussion with the engineer and inspectors, I must absolutely reject any suggestion of collusion or dishonesty."

Do you agree with Mr. St. Laurent in that?—A. Yes.

Q. Do you agree that there has been no collusion and no dishonesty on the part of this engineer or on the part of the contractors?—A. I cannot say as to that.

Q. Do you, or do you not, agree with Mr. St. Laurent?—A. I would not say anything about that.

*By Mr. Kyte:*

Q. Who was with you when you were operating that steel rod?—A. Mr. Maclachlan and three of the dredge men.

Q. Three of the dredge men?—A. Yes, two rowing and one holding the rod.

Q. Who do you say held the rod?—A. One of the dredge men.

Q. Who held the hammer?—A. There was no hammer.

Q. How was the steel rod forced down?—A. By striking like that (illustrating) hand drilling, like.

Q. Who did that?—A. One of the men.

Q. You did not do that at all?—A. I did not do that myself.

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Q. One of the men employed on the dredge did that?—A. Yes.

Q. And he told you he could not get down any further?—A. Well I could see he could not get down any further.

Q. In that matter you depended on the work done by these other men also?—A. Well, I was there to see it.

Q. Well, I understand that, but you did not force the rod down yourself?—A. No.

Q. It was a man selected by Maclachlan to assist you?—A. No, not by him.

Q. Who selected these men?—A. Well, I do not know who selected them, they were sent from the dredge.

Q. They were sent from the dredge to assist you?—A. Yes.

Q. Who sent them?—A. I could not say.

Q. Did you ask for them?—A. I asked Mr. Maclachlan or probably the contractor.

Q. You asked Mr. Maclachlan for men and these men came to assist you?—A. Yes.

Q. And it was one of these men who held the rod and endeavoured to get it through the material?—A. Yes.

Q. Where was it you examined the dredging records?—A. Oh, it was in Mr. Maclachlan's office.

Q. I mean the drilling records?—A. Yes, the drilling records in Mr. Maclachlan's office. They were brought there by the contractor's engineer.

Q. Who was that?—A. Mr. Woolley.

Q. Were all the drilling records there?—A. He brought them there in book form.

Q. Yes?—A. There were probably 250 or 300 of these.

Q. And you examined, you say, about 20 per cent?—A. Yes.

Q. Who selected the ones to be examined?—A. Oh, well, they were just turned over like that (illustrating) by Mr. Woolley.

Q. Mr. Maclachlan was there too?—A. Yes.

Q. And Mr. Woolley?—A. Yes.

Q. And Mr. Woolley turned over the records you were to examine?—A. Yes.

Q. And you examined these he put before you?—A. Yes.

Q. And no more?—A. No.

*By Mr. Barnard:*

Q. Do you think, Mr. Valiquet, that when they were using this steel rod, they were pulling your leg?—A. I beg your pardon?

Q. Do you think, as Mr. Kyte suggests, they were pulling your leg?—A. No, I do not think it. I did not understand that he meant that.

*By the Chairman:*

Q. Is that the usual way of making a test with a rod—the other man strikes the blow? Are you supposed to strike the blow yourself?—A. I would not say it is a very usual way, but that is the only way when you have nothing else on hand.

Q. Mr. Kyte suggests that you should have struck all the blows yourself. Is there anything in that?—A. No.

Q. The usual way is to have somebody else do that?—A. Yes, and you can see what happens.

*By Mr. Pringle:*

Q. Mr. Valiquet, about this book of records, these things that you examined were not selected, you took them right out of the page on the record; they were not picked out by anybody?—A. No, they were just turned over.

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*By Mr. Kyte:*

Q. By Wooley?—A. By Wooley.

AN HON. MEMBER: Who was Wooley?

MR. KYTE: The contractor's engineer.

Witness discharged.

MR. CARVELL: Before we adjourn, I wish to make reference to an incident that occurred here on Friday last. While our investigations here are, to some extent, in the nature of contests, I always feel that they should not be any more unpleasant than is necessary. And I had an idea during the progress of the examination of the witness, Mallory, that an attempt was being made—at least I won't say was being made—to block the investigation; and I went so far in my own mind as to conclude that it was an organized attempt. I may have been right or I may have been wrong. However, just before the close of the session, reference was made to Mr. Clements, who was not present at the time. And I wish now to publicly state that I was not justified in doing so, and I wish to offer to this Committee and to Mr. Clements my sincere regret for the incident.

THE CHAIRMAN: I think that is a very manly statement for Mr. Carvell to make. So far as I can see, both parties seemed to be anxious to get to the bottom of this investigation.

MR. CLEMENTS: I want to say that I appreciate the statement of the hon. member for Carleton, and I want also to say that it is regrettable that a witness like Mr. Mallory should come down here, without the facts, and attempt to make insinuations against a member of this Committee and a member of the House, in the way he did. In future, it should be a lesson to us.

Committee adjourned.

## HOUSE OF COMMONS,

ROOM No. 301,

FRIDAY, April 7, 1916.

The Select Standing Committee on Public Accounts met at 11 a.m., the Chairman, Mr. Middlebro, presiding, and resumed the consideration of certain payments to Grant, Smith & Co., and Macdonell, Limited, in connection with dredging at Victoria, B.C.

The examination of Mr. G. E. MALLORY resumed.

*By Mr. Carvell:*

Q. When you were examined at a former sitting I think you had got down to the June estimates, had you not?—A. Yes.

Q. Had you given evidence as to the June estimates?—A. I believe so.

Q. The Auditor General has produced the progress estimates for the month of July, dated July 31. Look at these and say how much earth was returned up to the end of July according to these estimates (handing estimates to witness)?—A. After referring to estimates), 24,940 cubic yards.

Q. How much rock?—A. 3,183 cubic yards of rock.

Q. Removed?—A. Removed.

Q. Yes?—A. "Rock blasted but not excavated of 50 per cent value, 1,600 yards."

Q. What do you mean by that 50 per cent value?—A. There would be 1,600 cubic yards of solid rock drilled and blasted but not dredged, for which they would receive the full price of \$9.10 for 800 yards.

Q. Then you gave them 50 per cent of the total quantity moved? That would mean then a total of 4,683 cubic yards?—A. No, 4,700 cubic yards.

Q. Yes, 4,783 cubic yards up to that time. Now, Mr. Mallory, did you have anything to do with making up that estimate?—A. I handled a memorandum, I made up a memorandum of that estimate, before that estimate was made out by the resident engineer.

Q. To whom did you give it?—A. To J. S. Maclachlan.

Q. That is the resident engineer?—A. Yes.

Q. When you gave Mr. Maclachlan that estimate of between three and four thousand cubic yards of rock did you believe there had been four or five thousand cubic yards removed or blasted?—A. No.

Q. You did not?—A. No.

Q. I would like to know how you justify your conduct then?—A. My conduct was—I was working under instructions from C. E. Macdonald.

Q. Anybody else?—A. And J. L. Nelson.

Q. Will you now swear this estimate was made up by you under the instruction of your employers, MacDonald and Nelson?—A. Yes, sir.

Q. Did you give this to Mr. Maclachlan personally?—A. I beg your pardon?

Q. Did you give this statement to Mr. Maclachlan personally?—A. I think I did.

Q. You are not positive?—A. No.

Hon. Mr. CROTHERS: The witness says he was employed by Nelson and MacDonald, is that correct?

Mr. CARVELL: That is what he said.

Hon. Mr. CROTHERS: I understood he was in the employ of MacDonald only.

Mr. CARVELL: He says he was employed by Nelson and MacDonald. (To the witness; did Mr. Nelson have anything to do with employing you)?

The WITNESS: He was consulted as to whether I would be acceptable or not.

*By Mr. Carvell:*

Q. By whom?—A. By Mr. MacDonald.

Q. You know that?—A. Yes.

*By Mr. Bennett (Simcoe):*

Q. Were you present at the interview?—A. No, but I was not employed until it was found out, and then I was told I was acceptable and could go on.

Q. Can you state that of your own knowledge?—A. No, sir.

Q. You don't know whether they ever talked about it?—A. No.

*By Mr. Carvell:*

Q. Did you ever receive instructions regarding the work from Nelson?—A. Yes.

Q. You did?—A. Yes.

Q. Tell the Committee what would be the nature of the instructions you received from Nelson?—A. Well, the instructions were mostly to talk rock to Mr. Maclachlan.

Q. To talk rock to Mr. Maclachlan?—A. Yes.

Q. Did you ever give money or cheques or other documents to Nelson?—A. Yes.

Q. Which of the three did you give, or did you give them all?—A. I handed him statements showing the state of the work, rough statements.

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Q. How frequently?—A. Well, once I was taken or told to go to Vancouver and I went over to Vancouver and gave him one, gave him a statement. Other times I gave him statements in the office in Victoria and gave him letters to take over to Vancouver.

Q. Well, then, in a general way you treated him as a principal did you?—A. I considered I was taking orders from him.

Q. Have you any receipts for money from him?—A. Yes, there is one in a package of papers here.

Q. See if you can find it, please.

Witness makes search for receipts amongst papers.

*By Mr. Carvell:*

Q. Have you seen the receipt since these papers came to Ottawa?—A. No, but I think it is in them.

Q. You think it is there?—A. Yes.

*By the Chairman:*

Q. Is that it? (Handing document to witness.)—A. (After examining document.) That is it.

*By Mr. Carvell:*

Q. What is it?—A. That is a receipt from J. L. Nelson to C. E. MacDonald dated August 12, 1915, for \$2,000.

Q. Signed by J. L. Nelson?—A. Signed by J. L. Nelson.

Q. You have seen his signature?—A. Yes.

Q. You know the signature when you see it?—A. Yes.

The CHAIRMAN: This receipt is on the letter paper of C. E. MacDonald, dated August 12th, 1915, and reads: "Received from C. E. MacDonald, the sum of \$2,000." Signed, "J. L. Nelson".

Mr. CARVELL: And it is just written out in longhand (showing to Mr. Bennett, Simcoe).

*By Mr. Carvell:*

Q. Now, I come back to this estimate of 31st July, 1915, which you said you prepared and gave Mr. MacLachlan, or gave him, at least, the material for it. What amounts were you to include in this estimate, and how much profit?—A. There are instructions to me in these papers also in connection with that.

The CHAIRMAN: That is the July estimate?

Mr. CARVELL: The July estimate.

The WITNESS: (Producing slips.) Here they are.

*By Mr. Carvell:*

Q. Read them. In the first place from whom do they come?—A. From Mr. Macdonald to Mallory is marked on it.

*By the Chairman:*

Q. In whose handwriting?—A. Macdonald's handwriting.

*By Mr. Carvell:*

Q. That is the sub-contractor?—A. C. E. Macdonald.

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*By the Chairman:*

Q. Read it exactly as it is there?—A. (Reads):—  
McD.

Mallory

Get out estimate for July.

Maclachlan wants it in at once.

Allow 1 foot all over work for earth.

Q. It is not signed?—A. No.

Q. Do you swear that is his handwriting?—A. Yes.

*By Mr. Carvell:*

Q. Have you anything else other than that?—A. Another one (reads):—

Get amount of pay rolls for July.

Get estimate for July made up that will show at least 33½ per cent profit for the month. Including insurance, rentals, repairs, pay-rolls, automobile notes, etc.

(There is \$3,500 to be paid on notes, money borrowed in Vancouver).

Contract with Henry McFee has to be attended too.

Q. Does that last sentence refer to another contract?—A. Yes.

Q. Then we do not care about that.

*By Mr. Barnard:*

Q. Any date on that memoranda?—A. No. I have written on the back of it (reads):—

“I got this from Mac on the 31st day of July.”

*By Mr. Carvell:*

Q. Would anything of that be in your diary as well?—A. I think so.

*By the Chairman:*

Q. Is that in the handwriting of Mr. Macdonald?—A. Yes.

Q. The whole of it?—A. All of what I have read.

*By Mr. Carvell:*

Q. Having received those instructions from your principal, you did prepare a progress estimate to cover the amount which he wanted covered?—A. I used that amount in dollars and cents.

Q. It was made?—A. It was made in quantities that looked fairly well balanced to make that amount.

Q. And you say you either took that to Mr. Maclachlan or told him what the amount was?—A. Yes.

Q. Tell us your best judgment now—that you gave it in writing or simply by word of mouth?—A. I think I gave it to him on a small piece of paper, the same as that under the classification, showing under its different headings.

Q. If you did put it in writing, would you keep a copy of it?—A. Not necessarily; it was of no value. I expected to see it on the estimate.

Q. That is your recollection of what took place in July?—A. Yes.

Q. You also notice that at that time you had specified more rock than the total original estimate gave?—A. Yes.

Q. That is right. Now, had you ever come to the conclusion, from any information that you received, that the completed work would show more rock than the original estimate of 4,300 yards?—A. Yes, I had.

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Q. Tell me when and how you got the idea?—A. When I first—it was before I was on the work at all—I had the plan at my house in Victoria, that is the plan of the soundings or for this excavation.

Q. Yes.—A. And I had been told the number of lineal feet and direction of the squared area, we will say, that the dredging would be done in. I took the soundings and made a very rough estimate—in fact, I think it took me fifteen or twenty minutes or half an hour—and I figured there were about ten thousand yards or a little over, 10,100 is the estimate I made at that time.

Q. Do you say now, in the month of July you had an idea that the finals would total out more than 4,300 yards?—A. Yes, but I had not heard it mentioned any other place.

Q. That was your own impression?—A. That was.

Q. Now, from being on the work during the month of July, how much rock do you say had been removed by the end of July?—A. Not more than 500 yards.

Mr. BARNARD: Mr. Carvell do you speak of solid rock or rock in hard material?

Mr. CARVELL: I am using the word rock as referred to here by the engineer, that is solid rock or conglomerate.

Mr. BARNARD: Or conglomerate?

Mr. CARVELL: I understand the engineers have treated conglomerate as rock.

Mr. BARNARD: There seems to be some confusion in the terms as between the engineers. One man speaks of hard material not being conglomerate as rock in so far as the classification is concerned and the others say conglomerate and rack are the same.

Mr. CARVELL: There may be evidence of that, but I have not heard any along that line yet. I imagine we will hear evidence of that kind.

Mr. BARNARD: There has been some.

Mr. CARVELL: I did not have the pleasure of listening to Mr. Valiquet during the first hour and a quarter of his examination yesterday.

Mr. DAVIDSON: He told us conglomerate was a very hard kind of rock.

Mr. CARVELL: In my mind, and, I think, in that of the witness when the word "rock" is used, it is intended to mean rock in its natural sense. If it can be shown that there is any other material which ought to have been classified as rock, I do not think it is material I am talking about now.

Mr. BARNARD: What I want to get at is, is the witness speaking of rock?

Mr. CARVELL: We will have that cleared up.

*By Mr. Carvell:*

Q. When you say that not more than 500 yards of rock had been removed at the end of July, what do you include in the term "rock?"—A. Boulders over 3 cubic feet, or solid rock in place that had been blasted so it could be dredged.

*By the Chairman:*

Q. Do you mean rock according to the specifications as you understand them?—A. Yes.

Q. In other words, there should not have been an estimate for more than 500 yards of rock according to the specifications as you interpret them?—A. Yes.

Mr. CARVELL: I thought that was his idea.

*By Mr. Carvell:*

Q. Do you know when the June estimate was paid, because I am going now to the previous estimate, the June estimate?—A. I think it was paid about the 31st of July, or between the 28th of June—

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Q. Between the 28th of July, you mean. Anyway, the latter part of July?—A. Yes.

Q. Do you know anything about making out the August estimate?—A. Yes.

Q. What do you know about that?—A. I was working on the same instructions.

Q. Did you have any positive instructions from the contractor for the August estimate?—A. I have nothing in writing.

Q. What instructions did you receive verbally?—A. Under the same principle as these (indicating slips).

Q. Is this all you have referring to the records for July?—A. Yes.

Q. Well now, did you make up a statement for Mr. Maclachlan?—A. Yes.

Q. Do you remember whether that was in writing or verbal?—A. In writing.

Q. You are sure of that, are you?—A. Quite sure.

Q. Did you give it to him?—A. Yes.

Q. Do you remember where you gave it to him?—A. I think it was in his office on the Dallas road, Victoria.

Q. When?—A. I cannot give you the date.

Q. Would your diary show it?—A. I think so.

Q. Suppose you look it up and see, in order to satisfy yourself. Look up the 2nd of September, and see if that will show it, or around that date?—A. (After consulting diary.) It was on the 2nd day of September.

Q. Did you have any conversation with Mr. Maclachlan that day about the estimate?—A. Yes.

Q. Generally speaking, what was it?—A. Well, the estimate was fairly large and there was a question as to just how the rock should be accounted for, and the *Puget Sound*, of the Pacific Dredging Company, had moved on the work and was doing dredging, and they were to receive a certain quantity that month for their work; they had excavated a great many yards of earth which could not be put in the earth yardage, because it would have taken up nearly all the yardage of the contract, the total yardage would have been accounted for if they had been paid for the actual yardage removed. So we talked over how the figures should be juggled around.

Q. That is you and Maclachlan talked it over?—A. Yes, how to give the Pacific Dredging Company enough to keep them quiet, to satisfy C. E. McDonald, and to keep this man Wooley of Henry, McFee and McDonald, from coming down on Maclachlan's head.

Q. Who was Wooley?—A. He was manager, as far as I know, for McFee, Henry and McDonald in Victoria, they had a sub-contract for drilling and blasting.

Q. Did you caution Mr. Maclachlan or use any words that could be taken as a caution?—A. I do not believe I did then, I think I did on the 31st of July.

Q. What was the nature of your caution?—A. I just mentioned that he had better be pretty careful about these things when we knew that 4,300 yards was all that there was in the work.

Q. What reply did he make?—A. He said I haven't had any trouble with Ottawa so far, and I think this will go through all right. Those may not be the exact words, but it is as near as I can remember.

Q. And they did go through all right?—A. Yes.

Q. Because the August estimate was paid, was it not?—A. Oh, yes.

Q. That would be paid in the month of September?—A. Oh, yes.

Q. Now what was the August estimate—I showed you the figures—give the earth in the first place—here it is (indicating).—A. That would not be right.

Q. That is the total?—A. The total quantities to the end of August 31 would be 26,940 cubic yards of earth and 13,183 cubic yards of rock.

Q. That is in blasted, or removed, or both?—A. Both, it is supposed to be; rock blasted but not excavated, 50 per cent 5,105 cubic yards.

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Q. That would make a total of how many yards of solid rock accounted for up to that time?—A. 18,288.

*By the Chairman:*

Q. That is up to the end of what?—A. August 31.

*By Mr. Carvell:*

Q. How much did that total out in dollars?—A. It would be about \$157,000, do you want it exactly?

Q. That is practically near enough, it would be around \$157,000?—A. Yes. I might say that that carries a liability with it for more rockage, for more money, for that 50 per cent; it shows that the rock is there but has not been removed.

Q. But after it would be removed it would show?—A. 2,500 yards more.

Q. At how much, \$4.50 a yard?—A. No. \$9.10.

Q. But you would add on \$4.55?—A. That would be about \$20,000.

Q. That would show \$157,000 earned, and practically \$20,000 more when that rock was removed?—A. Yes.

Q. Now, at the end of August, how much actual rock, as you have referred to heretofore, had been removed or blasted, all put together?—A. Section 1, referred to on the plan—Sections 1 and 2 had been excavated completely as far as the rock was concerned.

Q. And how much rock approximately, do you say, would be found in those sections?—A. I think, in my preliminary estimate for that, according to the figuring that I did in my house before I came on the work, there was something like 2,200 yards in those two sections.

Q. Do you still think your preliminary estimates of those areas 1 and 2, was correct?—A. Yes.

Q. So that you would say then, according to your judgment, about 2,200 yards of actual rock had been removed?—A. Yes.

Mr. BARNARD: What did you say that amount of the preliminary estimate was?

Mr. CARVELL: He said about 10,000 yards.

—A. I figured that out for my own information.

Q. As I understood you, you said that you had the plans before the work began and you figured it up for yourself at about 10,100 yards?—A. Yes.

Q. Do you mean to say that is the accurate figure?—A. Oh, no.

Q. It was merely an estimate?—A. A very, very rough one.

Q. The engineers say there were somewhere around 13,000 yards?—A. They figured closely and there probably is.

Q. You said on a former occasion that at one time you started the clamshell dredge over area No. 2?—A. Yes.

Q. And that the clamshell dredge was able to take one cut through to the bulk-head line on grade?—A. Yes.

Q. That is correct, is it?—A. What I mean by "grade" is to within a few inches of grade, because there was a few inches of rock there.

Q. About five or six inches?—A. Yes.

Q. Was that afterwards removed?—A. It was all down to grade by the soundings.

Q. It was?—A. Yes.

Q. Now, Mr. Mallory, as I understand it, you are now speaking about the August estimate?—A. Yes.

Q. And a big dipper dredge had been put on the work on the 16th or 17th of August, called the *Puget Sound*?—A. Yes.

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Q. Will you describe this dredge, *Puget Sound*? Generally give the Committee an idea of what it was.—A. I could not describe it. A description has been given to the Committee of the dredge *Ajax*, the Government dredge.

Q. Yes.—A. It is claimed, I have found from talking to the men operating this *Puget Sound*, that it is more powerful than the *Ajax*.

Q. Then speaking generally, in your judgment is it a good dredge?—A. Yes.

Q. No doubt about it?—A. A proper dredge for the work.

Q. Where did the *Puget Sound* work from the time it came on the operations about the 16th or 17th August down to the 31st August?—A. While they were getting the machinery lined up on the dredge, which was a few hours, or part of a day, they worked in section 3. To the best of my knowledge they worked in sections 1 and 2 from then until the end of August.

Q. But would the contractors' sheets and the inspectors' sheets show the actual location of the dredge during every day?—A. The Resident Engineer, Mr. MacLachlan's sheets might.

Q. I should have used resident engineer instead of inspector?—A. I don't know.

Q. They ought to, anyway?—A. They should.

Q. So if any question should arise as to the exact location of this dredge, it could be verified from the documents of the contractors and the resident engineer?—A. I am not relying on their statements.

Q. You are not relying on them?—A. Not in this.

Q. Why not?—A. Because I know the dredge was in a certain place one day and I know that it moved out before—

Q. Yes?—A. It worked in these other two areas behind the drill boat.

Q. Yes, and do these sheets show something different from that?—A. I don't know, I have never seen them.

Q. I wonder if you were taking accurate daily sheets?—A. I am not vouching for them.

Q. I am not asking you that, I am asking you whether if a member of the Committee wished to absolutely verify the location of the dredge any day during the month of August, these sheets would not be pretty good evidence?—A. They should be.

Q. You will go that far?—A. Yes.

Q. Now, did that dredge find any rock in areas 1 and 2, anything she could not dredge?—A. Yes.

Q. In what portions did she find it?—A. On the inner portion of section 1.

Q. That was actually drilled, blasted and removed?—A. Yes.

Q. Did she find any rock in section 2?—A. I would not say positively.

Q. What is your judgment?—A. I think it found a little.

Q. In a portion of section 2?—A. In the bulkhead portion of the south side.

Q. On the south side of the bulkhead portion?—A. Yes.

Q. I think that is shown on the plan?—A. I don't know.

Q. Here is the plan (producing plan). Yes, the south portion along the bulkhead and it seems to me also along the side they found some rock.—A. (After examining plan.) They would not find rock there. It is rock at 37-6.

Q. I see. They would not find rock there, but they found a little rock down in that corner, the southwest, is it?—A. I would call it south.

Q. And they evidently found more rock in section 1 than in section 2?—A. Yes, there is a considerable quantity of rock in section 1.

Q. That would be in the upper part of section 1?—A. The bulkhead portion.

Q. So the substance of it in your judgment is, there would be 2,200 cubic yards of rock found, and returns were made at the end of August for something around 18,000 cubic yards. Now, did Mr. MacLachlan make any reference to you when this enormous quantity of rock was put in? You said on one occasion he said he had had

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no trouble at Ottawa yet and that he thought this thing would go through? Now did you discuss with him whether this as a matter of fact was honest and right?

Mr. BENNETT (Simcoe): Let him answer himself.

Mr. CARVELL: I will.

The WITNESS: I told him I thought he should be very careful.

*By Mr. Carvell:*

Q. Did he give you any answer other than what you have given us?—A. Not to my knowledge.

*By the Chairman:*

Q. You were trying to help him out?—A. Yes.

*By Mr. Carvell:*

Q. Did he say anything about having written a letter to the chief engineer?—A. I don't remember anything about the chief engineer, but he said he had taken the matter up with Ottawa.

Q. He intimated to you he had referred the matter to Ottawa in some way?—A. Yes.

Q. Did you ever, until it appeared in Valiquet's report, see a copy of the letter he had written to the chief engineer some time in the month of August?—A. I have not seen it yet that I remember.

Q. I mean the letter where he notified the chief engineer that there would be a lot more rock than he estimated in the beginning?—A. I have read Mr. Valiquet's report since I came here. Yes, I did.

Q. Have you ever seen that letter or a copy of it?—A. No.

Q. Did Mr. MacLachlan ever tell you about receiving an answer to a letter he had sent to Ottawa?—A. Yes.

Q. What did he tell you?—A. He said that the engineer had told him in this letter that what the contractors did they must be paid for. It was to that effect, that was the very words he used I think.

Q. That the engineer had told him?—A. Yes, what the contractors did they must be paid for.

Q. Did he say who signed that letter?—A. Well, he did at the time but I had never heard the name before and could not remember it. I thought it was French.

Q. It was a French name?—A. I think so.

Q. It is in the evidence now, and so I may tell you that Mr. Valiquet wrote a letter in reply to the one the resident engineer wrote. Do you think that was the name he mentioned?—A. I thought it was something like Lafleur, but I know it was not that. I could not tell the name.

Q. It sounded like that?—A. That is what it seemed to me.

Q. Now, I want you to go down a little further in the month of September. Turn to the 3rd September in your diary.—A. ((Referring to diary.)) What is it you want.

Q. Do you find any reference there to a cheque for \$2,500 marked "sundries"? I don't want you to go farther, but give the substance of what was said and done about that between you and Mr. McDonald, what instructions were received. I might add to that that I do not want you to tell anything that Mr. McDonald told you about anybody else.

The CHAIRMAN: Just what you know of your own knowledge.

The WITNESS: Mr. McDonald told me: "I drew \$2,500 in cash, and got a marked cheque for \$5,500." There is a note similar to this showing that.

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*By Mr. Carvell:*

- Q. There is a note you say to that effect?—A. In his handwriting.  
 Q. Where did you find that note?—A. On the desk.  
 Q. What did the note tell you to do?—A. I don't remember.  
 Q. Didn't it tell you to make that up as sundries?—A. It has "sundries" marked on it.

Mr. BARNARD: We had better turn up the notes.

Mr. CARVELL: I think so. I don't want him to read the whole memoranda in the diary where there is reference to another party. I don't want to put that in, otherwise, I would ask him to read the whole diary.

The WITNESS: (Producing slip.) Yes, it is here.

*By Mr. Barnard:*

- Q. Is it in your handwriting or McDonald's?—A. McDonald's.

*By the Chairman:*

- Q. Read it exactly as it is?—A. At the top it is marked "Bank Act."

Amount taken to Vancouver in—

Check . . . . .	\$5,500	
Cash. . . . .	2,500	Sundries
	<hr/>	
	\$8,000	

*By Mr. Carvell:*

- Q. Did you ever have any talk to him about that, about the word "sundries," not about anything else, but what he said about the meaning of "sundries"?—A. He said this; "I used this \$2,500 to further the work."

*By Hon. Mr. Crothers:*

- Q. What?—A. To further the work.

*By Mr. Carvell:*

- Q. Will you now turn to September 23rd in your diary?

Mr. CARVELL: Mr. Chairman, I might ask general questions, but I think if you would read over the memoranda in that diary you would see that it would not all be proper evidence.

The CHAIRMAN: Ask the witness what you think would be proper.

Mr. CARVELL: Otherwise I would ask him to read the diary.

The WITNESS: I can answer without it.

*By Mr. Carvell:*

- Q. All right. Please bear in mind that I do not want you to tell anything that Mr. McDonald might have told you about anybody else. But you can tell—at least I want you to tell—all that took place between McDonald, Nelson and yourself?—A. On that date?

Q. Yes.—A. I could not tell it on the date and swear to it.

Q. I asked you to refer to September 23rd?—A. I would have to make the reference to a specific date.

Q. That is—A. Generally speaking, I can go through the thing without any diary.

Q. I would like you to look at September 23rd.

*By the Chairman:*

Q. That will show you what took place. Does that satisfy you it was on that date?—A. Yes.

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*By Mr. Carvell:*

Q. Perhaps you can tell me now generally what the conversation was about?—A. Nelson came in to McDonald's office in the Pemberton building in the afternoon. I believe he did say he had been in Victoria a day or so. He asked some questions in connection with the work and McDonald's accounts, and, if I remember correctly, I showed him the books and explained things to him. He asked me the amount of the estimate; I told him.

Q. How much?—A. Approximately \$28,000, I think.

Q. \$28,000. Was that the total amount of the estimate or the profits?—A. \$80,000 was the amount of the estimate.

Q. Yes. And you spoke about \$28,000 profit. Would that be up to date, or for the month of September?—A. If I remember correctly, it was not September, it was the August estimate, I think, paid in September.

Q. I see, the August estimate paid in September.—A. I think so.

Q. Quite likely that is what it would be. You can easily tell. The rock went from 4,000 up to 18,000 yards, that is 14,000 yards at \$9?—A. It went up about 10,000 yards in the solid rock, 3,500 yards in the 50 per cent, 2,000 yards earth.

Q. Did he make any reference to the August estimate?—A. Yes, he said it was a dandy.

Q. Did he say anything else?—A. Well, he started to tell me how long he had been looking for the work; he had been figuring on getting it for the last year or so. I told him that I had heard he was figuring on it.

Q. Now, did you tell him what were the approximate profits on the work up to the end of August?—A. Up to the end of August?

Q. Yes.—A. \$30,000, I think, approximately.

Q. Approximately. Suppose you look at the diary and get the exact amount if the diary will show it?—A. (Consults diary.) It says \$30,000 there.

Q. Now, that brings us down to the end of September. Did you have anything to do with making up the estimate at the end of September?—A. No.

Q. You did not?—A. No.

Q. Why not?—A. I was out of the city, away from the work.

Q. Did you see the estimate before it was sent to Ottawa?—A. A memorandum of it.

Q. He left the memorandum?—A. Nobody left it; McDonald showed it to me.

Q. Is it among the papers?—A. Not that I know.

Q. Generally speaking, do you remember what there was in it?—A. I think so; I think it was 7,000 yards of solid rock, 5,000 yards of earth. I have never seen that estimate.

Q. Well, let us look at it now, or, at least, we will see the real estimate. (Consults Auditor General's file.) There it is, the 30th day of September. Now, give us the totals of the estimate at the end of September?—A. 31,940 cubic yards earth excavation.

Q. Yes.—A. 20,183 cubic yards rock excavation.

Q. That is rock removed?—A. 5,105 yards rock blasted but not removed, 50 per cent.

Q. That will make a total of rock up to the end of September of how much?—A. Of 52,000 yards.

Q. No, no, not that much rock?—A. 25,288 yards.

Q. And around 5,000 of that had been blasted and not removed, according to the estimate?—A. Yes.

Q. What would you say, now, was the actual amount of rock removed down to the end of September?—A. The quantities contained in sections 1 and 2.

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Q. You have given that before, you have said that was around 2,200 yards.—A. And possibly 50 per cent of section 3.

Q. How is that?—A. One-half of section 3.

Q. I would like to have that, according to your best judgment, the amount of yards in section 3 that had been removed up to that date?—A. 4,000 yards.

Q. In section 3?—A. Yes.

Q. And the other 2,000, that would be over 6,000 yards removed altogether up to the end of September?—A. Yes.

Q. In what part of section 3 did they find this rock, because, as you say, it must have been increased considerably, if they have taken out 4,000 cubic yards?—A. In that portion of the section (indicating).

Q. What portion?—A. In the inner portion, the bulkhead.

Q. Would there be any rock blasted and not removed at the end of September?—A. Very little.

Q. It was pretty well all out?—A. Yes.

Q. Well then, as you did not make that up, you know nothing of what took place, how it was made up, on what basis, or anything at all about it?—A. No.

Q. Did you receive any instructions from either McDonald or Nelson about making up that estimate?—A. I believe I had been told to make it up but, on account of my being out of town, I could not do it.

Q. Did you at any time, in the month of September or October, I think it was September, have a talk with the representative of the main contractors about this rock—that is the main contractors are Grant, Smith and Company and MacDonell Limited?—A. Yes.

Q. Did you have any talk with either of them or with whom?—A. With Mr. Jamieson.

Q. Who is Mr. Jamieson?—A. The accountant of Grant, Smith and Company.

Q. Where is he located?—A. He was in their office on the work in Victoria.

Q. Now will you tell me the date?—A. No, sir, I cannot.

Q. Will you look up your diary on the 18th of September and see if you can find any reference to it?—A. Yes (after consulting diary).

Q. What do you find? I do not want you to read exactly what you have in your diary, but tell me about what happened?—A. Mr. Jamieson and I were talking about the work and he said, as nearly as I can remember, "It is very funny that these men would try to pull off a deal like this at a time——"

*By Mr. Barnard:*

Q. Who was he referring to by "these men"?—A. McDonald and Nelson.

Q. To McDonald and Nelson?—A. He referred to what was generally considered the McDonald firm, and he said,——

Q. He meant the sub-contractors? He was not referring to Grant, Smith and Company?—A. No.

*By Mr. Carvell:*

Q. Well, what did he say now?—A. He said, "It is a wonder these men would try and pull off a deal like that when they know investigations are going on on every hand."

Q. Did you and he discuss the amount of the excess in rock?—A. Oh, yes, and I said, "Well, it is funny," and I said, "I suppose you know about how many yards of rock there are," and he said, "Yes, I understood about 5,000 yards." He used round figures.

Q. He said he understood there were about 5,000 yards?—A. Yes.

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Q. Was anything more said about it?—A. If I remember correctly he asked me who the partners were, and I just answered, "I do not know," because it was none of his business.

Q. Did you have a suspicion he was trying to get information?—A. Well, I thought he was asking something that didn't particularly have anything to do with his business.

Q. Do you know a man by the name of Hasket?—A. Yes.

Q. Who is he?—A. An employee of the Public Works Department in Victoria; they call him "the Swede," that is a nickname.

Q. What is his name?—A. I do not know his correct name, but I think it is Haskett.

Mr. MACLACHLAN: It is Halkett.

*By Mr. Carvell:*

Q. Did you have any conversation with him about it?—A. Yes.

Q. Who is this man?—A. He was at the time an employee in the Public Works Department, with an office in the Belmont Block at Victoria.

*By Mr. Barnard:*

Q. He is in the office of the Resident Engineer of the Public Works Department for the Dominion?—A. That is the idea, for the Department.

Q. He assisted Mr. Davy in making the borings?—A. I never heard of it.

*By Mr. Carvell:*

Q. What was your conversation?—A. It was on the Dredge John E. Lee in the outer harbour on C. E. MacDonald's contract, he came out in a little launch, he came up alongside and came aboard and said, "I hear there is to be an increase in the classification here." I said, "Is that so." He said, "Yes," and he rambled along and then finally he said, "Well, I want it understood I took these soundings, and no man is going to put it over on me, they are right, and if there is a change in the classification out here I want it understood that my work is right."

Q. Was Mr. MacDonald there?—A. No.

Q. Did Mr. MacDonald give you any instructions as to what you were to do or not to do?—A. He gave me instructions if this man came on the dredge again to throw him off.

*By Mr. Bennett (Simcoe):*

Q. That was no place for an honest man?—A. That is the idea.

*By Mr. Carvell:*

Q. Did you have any conversation with Mr. MacLachlan or Mr. Nelson or either of them on the 29th of September. The 29th September. Probably if you look at your diary it will help you.—A. (After referring to diary.) I don't believe I had a talk with MacDonald.

Q. Did I say MacDonald? I meant MacLachlan?—A. (After referring to diary.) Yes.

Q. And what was your conversation with MacLachlan?—A. I think it was over the 'phone.

Q. What was it?—A. If I remember correctly he was asking if the previous month's estimates had been paid.

Q. Yes.—A. And the expression I think was "I am beginning to be rather chary of the whole business."

Q. Was that your comment or his?—A. His.

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*By Mr. Barnard:*

Q. What date was this?—A. 29th September.

*By Mr. Carvell:*

Q. That gets us over the September estimate, and I don't know that anything very much more important occurred until we come down to the 22nd day of October.

Q. Had you ever seen MacDonald between the 29th September and the 22nd October?—A. Yes.

Q. Had you seen Mr. Nelson?—A. I don't remember. Yes, I think I had seen him in Vancouver, yes.

Q. You had been in Vancouver?—A. Yes.

Q. What day were you in Vancouver, do you remember?—A. No, but it was along in the beginning of October.

Q. Would your diary show?—A. I think so.

Q. Well, I am not going into that part of it at all. Now, coming down to the middle of October, did you have any trouble with MacDonald or Nelson about that time?—A. Well, I had trouble—not particularly trouble. But I made a request to Mr. MacDonald and it was refused. Then I raised a little trouble myself.

Q. What was the request?—A. It was for an increase in wages he had promised me when I went on the work in the first place. He said in the early stages of the work: "You know I have not any money," he said, "You know I am going to have it, though." I said, "All right." "Will you work for so much, say \$125 a month, say the first month or so" I think that is the way he put it. I said "Sure, certainly." I continued to work for that amount until I asked him—

*By the Chairman:*

Q. \$125 a month?—A. Yes.

*By Mr. Carvell:*

Q. Yes?—A. In the meantime, I had hinted that he might live up to his promise, but he usually slipped out about that time.

Q. You say he slipped out, that is the expression you used?—A. Yes. I saw the way MacDonald felt about the thing and I mentioned it to Nelson and asked him to take it up with MacDonald. If I remember he said, "Yes." I think it was the first time I saw MacDonald after I had mentioned it to Nelson, I took it up with him again. After a little talk and working backwards and forwards he decided I would not get any more.

Q. You say he decided?—A. Yes.

Q. Did Nelson make any propositions to you?—A. Well, Nelson in a way, yes.

Q. What were they?—A. He said: "You are going all right." He said "You are satisfied. You have been looking after the interests pretty well on this job out here." That is the way he put it up to me. He said "Go ahead." I have been looking out for you for later."

*By Mr. Barnard:*

Q. For what?—A. Something later coming up. I said "Yes, what is that"? "Well," he said, "we will go in together on the dry dock contract that is going to be let in Esquimalt."

*By Mr. Carvell:*

Q. Did it ever get any further than that?—A. That is as far as it got.

*By Mr. Barnard:*

Q. Is that all that occurred at that time in this particular matter, prior to the 22nd October?—A. Well, the day I asked Mr. MacDonald and he refused me. I pro-

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ceeded to tell him what I thought of the whole outfit in language that was not fit to print. I told him what I thought of his actions, told him what I thought of his partners' actions. I told him they should have used common sense any way and not put Mallory into the position he was in. I told him it was common report of the street that there was crooked work on the water-front, and that it was high time for me to get out.

*By Mr. Bennett (Simcoe):*

Q. It was high time for you to do what?—A. High time for me to get out of the office, because when it came to the finish if anything was said it would simply be put up: "Mallory is the man, we left him in charge, he did everything, I don't know anything, never saw anything or paid any attention to it." So I asked for my cheque, which I didn't get.

*By Mr. Carvell:*

Q. You mean your cheque up to that date?—A. For whatever was coming to me in the line of wages.

Q. Up to the time you had your conversation?—A. Up to the time I had my conversation.

Q. Do you know what day that would be?—A. Not off-hand. I can look it up in here (indicating diary).

Q. It was some time prior to the 22nd day of October?—A. Oh yes, it was in October. About the 15th, isn't it?

The CHAIRMAN: Yes, about the 15th.

The WITNESS: Some time around the 15th.

*By Mr. Carvell:*

Q. Would you go so far as to say that you and Mr. Macdonald had a stormy interview?—A. Yes, we had.

Q. You would also go so far as to say you notified him you were going to leave his employ?—A. I not only notified him but asked him for my cheque.

Q. What happened on the 22nd of October?—A. I think that is the day he came over from Vancouver with a couple of gentlemen friends of his and threw me out of the office.

Q. I want you to describe what took place, what was said and what was done?—A. Well, he came up to the office—he was in the office before I got there. I came in about eight o'clock and he said: "You have been hanging round here quite a while." "I tell you I shall stay here until I get my money," because there was no use in going to any other place, "and if you will give me my cheque, I will write it and if you will sign it I will go." "No." I said. "Well, I tell you I want \$25 anyway." I had a cheque written out; and all he had to do was to sign it. He talked along and then he jumped up and went to the door; there was not anybody there. About ten o'clock there were two men came to the door, I could see their shadows through the door. I went and opened the door because it happened to be locked. These men stepped in and one of them who represented himself as a Mr. Brooks, said "You are Mallory?" I said, "Yes, sir." "Step into the other room, I want to talk to you." I stepped in there. He said, "You and MacDonald are having some trouble here?" I said, "What about it?" He pulled some documents out of his pocket and he said, "Read these." So I sat down on a chair and read them. They were affidavits charging me with having received moneys on the Canadian Northern Pacific railway.

Q. Not the Canadian Northern?—A. Yes.

Mr. BENNETT (Simcoe): That is why they are short.

The WITNESS: Probably. Charging me with receiving moneys from Canadian Northern Pacific railway in British Columbia, and he intimated that the Canadian Northern Railway were going to prosecute me if I did not sign a statement that his

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partner had, clearing MacDonald about wrongdoing in connection with the contract of Grant, Smith & Co., and the Government.

*By the Chairman:*

Q. Was the affidavit made up?—A. I really could not tell you. I told the man at the time——

Q. An official of the C.N.R.?—A. I could not tell you.

Q. It would be somebody that would know something about it?—A. I told the man distinctly they were fakes and forgeries. He told me: "You see the peculiar predicament you are in, and which you are up against." I said: "I am up against it all right, but the best thing you fellows can do is to go ahead and fight it out. These things are forgeries. You never got them from anybody; you made them up; you are hired to do it." "Well," he said, "there you are." I said: "I would like to go to the 'phone and call up Mr. Barnard, as a lawyer, and ask him to look into this matter." MacDonald took up the 'phone, and one or two of the other fellows shoved me and told me: "You don't use any 'phone here; you sign that document." I said: "Nothing doing, I was not going to sign any document." So at that time some general shuffling and juggling around commenced, a sort of wrestling match.

*By Mr. Carvell:*

Q. Did they lay hold of your person?—A. They grabbed hold of me, and I was shoved backwards and forwards here and there and the other place, and after the thing had gone plenty far enough to suit me, I said: "I will tell you, I see how far you fellows are willing to go with this thing. Give me those three documents and allow me to take them out of here. It looks to me as if I had to sign these anyway, so I will have to sign it this time all right." He handed me the document. In the meantime I had the opportunity of reading this document or letter I was to sign.

Q. Generally, what were the contents of that document you were to sign, and did sign?—A. I should presume in the form of an affidavit: I, G. E. Mallory, had been bookkeeper and superintendent of C. E. MacDonald, contractor in the outer harbour works of Victoria, British Columbia, and that I knew that all his dealings with any official of the Government, with the contractors, or anything and everybody, so to speak, had been exactly what should be; and that I was to take back all remarks that I had made in connection with this work. It was as near as I remember, and I read it pretty carefully. It was an apology from myself swearing that Mr. MacDonald was a saint, that is the size of the document.

Q. Not swearing—because they did not propose to administer an oath?—A. Yes, one of the gentlemen who was there—I was supposed to sign it there—was either a lawyer or a notary, and the other was a Thiel detective, one by the name of "Nye" or something like that, and the other by the name of "Brooks."

Q. Go on.—A. After I signed these things—I had these three affidavits in my hip pocket—I got up. One of them said: "Give the key to MacDonald." He said: "First give me those papers. I said "No, sir, nothing doing." I did not get much chance to put up any scrap then, I was nailed against the wall before much could happen, and they took the papers away from me, and I saw them tear two up—whether they tore three I do not know—and thrown in the waste paper basket; and then they told me to get out, and I said I would when I got some stuff I had there picked up. They said: "All right." So I walked up and picked up the different things I had that were my own, and incidentally some of these (indicating slips).

Q. Did you gather some of the stuff you have there?—A. I gathered up all writings of MacDonald's. Some of these memoranda were the only things at my house. These were in the office, I took it along with me.

Q. Did you go to your house and get the memoranda at your house?—A. When

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Mr. Barnard asked me about all papers in connection with that thing I had in my hands, I asked him to have a search of the office made.

Q. In the first place you took only the things you had in the office?—A. Yes.

Q. Did you take them direct to your house?—A. After leaving the office?

Q. Yes.—A. I put them in a desk in an office in the Jones Building, in a friend's office.

Q. I see. Then, where did you go?—A. To the police court.

Q. What happened there?—A. I asked for warrants for C. E. MacDonald and two unknown. But they laughed at that, they could not issue a warrant for people they did not know or I did not know. And I said: Well, will you just either shadow them or detain them until we can find out their names? They asked what was the charge. I said it was for blackmail. I was referred to the city prosecutor, I believe Mr. Mitchell. I went upstairs in the court house, and asked for him, but he was not in. I was informed he was at the Court of Revision or around town. I came right back to the police court, and I met H. C. Hall, whom I know by sight or name; I do not know whether he knew who I was. I introduced myself to him. I said: "Hall, I am trying to get some warrants here." He said: "Who for?" I told him as closely as I knew, and he said: "Well, explain the whole thing to me." I said: "No, I will explain what happened to you." He said: "Is there any political significance?" I said: "Yes." He said: "Explain the whole thing, come up to the office and talk it over first."

Q. You might as well admit that Hall is a very active Liberal lawyer in Victoria, and wanted information.—A. That is what he wanted, "information," and he did not get it, so he said, "Well, you can go in and try to get them, but I don't think you can get them." I said: "Why?" He said: "If that is politics, I don't think you will get them." I tried again to the clerk, and Magistrate Jay was there at the police court and several other men; and I asked in a quiet way, in what I considered a proper way to ask, and before I had got through asking they were hostile enough that they would like to throw me out of the police court. I did not lose five minutes going to Mr. Barnard's office.

Q. Did you get the warrants?—A. No, sir.

Q. And you went to Mr. Barnard's office?—A. Yes, sir.

Q. Why did you go there?—A. Because I knew in a way Mr. Barnard's firm. Mr. Barnard was a lawyer, and I considered that although the matter at the moment was a personal matter between myself and those men, Mr. Barnard, as a member of the Government, would have a little more interest in the thing and get quicker action for me than any other lawyer in the city. I went to Mr. Barnard's office and explained what had taken place that day.

Q. To whom?—A. Mr. Barnard. He said to me, I asked him, I said, "Mr. Barnard, I want these men arrested and I want them arrested quickly because they can get out on an automobile or at the latest they can get out on the three o'clock boat," and, I said, "The goods are on them and I want them caught right now." "Well," he said, "is there anything in politics in connection with the thing, or may it affect politics?" And I said, "Yes," that I thought so. He said, "Explain it to me," and I gave him a very short sketch of the thing. He called up Mr. Green on the 'phone immediately and made an appointment.

Q. With what Mr. Green?—A. With Mr. Green, the M.P., who lives in Victoria, I believe, and he said, "We will go right down to Mr. Green's office. I said, "All right." And I said, "I do not want to go into politics, into the political business, I want these men arrested. Well, "we had better see Mr. Green." So we went and saw Mr. Green and I was introduced to Mr. Green as a man who hadn't any political pull to get the position I had been holding, that I had held it on my ability and he also mentioned some relationship.

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Q. Relationship between you and the member of the firm?—A. No, a Mr. Robertson, a member of the law firm.

Q. Are you a relative of Mr. Barnard's law partner?—A. I am a second cousin.

Q. Of Mr. Barnard's law partner?—A. Mr. B. H. Robertson.

*By the Chairman:*

Q. What relation are you to Mr. Barnard?—A. None whatever.

*By Mr. Carvell:*

Q. And what took place?—A. He said to Mr. Green, "Mallory has got quite a story to tell." And Mr. Green said, "Is that so, what is the matter?" So I did not go any farther than to repeat what had just happened; I told him what had just happened on that day and I said, I asked to have these men arrested before it goes any farther. I said, "They have that document on them that I signed; their affidavit is in the waste paper basket in MacDonald's office; this matter can be cleaned up right here and now and it affects me," and I said, "You seem to want the details of the thing so as to see what its effect is politically, but I am not sacrificing myself for anybody's politics and there is nothing in politics for me." But it was just pushed aside. Mr. Barnard told me, "They will look after that document all right; they will keep it." I said then, "I presume they would, but I would just as lieve catch them with it on them and clear this thing up." However, nothing happened. I was asked to go ahead and give my story of the whole thing. So I went into it anyway and explained it to Mr. Green.

Q. Had you your diary there?—A. I do not remember whether I had this diary or not at the time. I left Mr. Barnard and Mr. Green at noon or somewhere about noon and the last thing I asked them was to get these men or to help me get these men—I did not expect them to get them but to help me to do so. I was to meet them at 3 o'clock. I came back and met them at 3 o'clock.

Q. Where?—A. At Mr. Green's office and before there was any conversation in connection with this dredging contract at all I said, "Now gentlemen, these men can get out of town on that boat—and I ask you to have them arrested or help me to get them arrested or help me to get warrants to have them arrested." Nothing doing, I could not get any assistance in any shape or form. Then I went into the thing as thoroughly as I could, I had the diary and kept reading from it these cheques were there. Later Mr. Barnard asked me would I give him these documents and I said, "No." "Well," he said, "Will you leave them with me?" "No." Then he said "Will you leave them with Harold Robertson in trust?" and I said, "Yes." He said, "Well bring them down this afternoon," and I said I would and did. About three days afterwards these men, these friends of Mr. MacDonald appeared in Victoria again, called at my house about 9 o'clock in the morning, or a quarter to nine, and asked me where MacDonald was. I said I did not know and I made pretty fast tracks for Mr. Green's office, I was at Mr. Green's office 10 or 15 minutes after 9 o'clock and stayed there until he got down which was in the neighbourhood of half past ten. I put it up to him either to have these men arrested, to get me police protection or to have them ordered out of town. He called up Mr. Barnard and Mr. Barnard came down to Mr. Green's office. They had a long talk and eventually during the course of the talk Mr. Green and Mr. Barnard decided they would go to Mayor Stewart and lay the whole thing before him and get him to have the police order these men out of town. Then they considered that Mayor Stewart was not just right for some reason or other and Mr. Green suggested Mr. Perdu, who was the chief detective at the time. They called up on the 'phone to see if they get him but he was not around and Mr. Green told Mr. Barnard eventually to go to the Chief of Police and lay the whole thing before him and tell him we wanted these men put out of town. So Mr. Barnard and I went and interviewed the Chief of Police and the Chief of Police said, "Well here we can't do

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this; we can't do this; we haven't any authority to order these fellows out of town. Why don't you lay a charge against them and have them arrested; even if it is political." Mr. Barnard said, "Chief, I explained to you that this matter is purely political and we don't want it to get out," and the Chief said, "What about this man?" I said, "You see the position I am in with Mr. Barnard" I said "I tried to get them arrested the other day," and I said "I am not particularly pleased about being chased around this town by such men as these. If you cannot order them out of town you have got to arrest them." Well, the Chief said, "That would be the proper thing to do." Mr. Barnard explained in detail how it was purely and simply a political matter. Then it was decided by the Chief of Police and the Chief of Detectives that they would interview the men. They said that was all they could do. They did interview them about five or ten minutes after the conversation was over.

*By Mr. Carvell:*

Q. And what happened?—A. I happened to be going down Douglas street, I think it is, from the Police station towards Fort. I saw them in the distance standing reading the "Times" bulletin. At the same time I met a friend and stopped and spoke to him. I said, "Do you see those two men?" He said "Yes." I said "Shadow them and don't leave them until I come back. I will be back in a few minutes." I went to the Department and came back with two detectives. The men had moved two blocks in the meantime and as we came up turned their backs and were looking into a window. The Chief of Detectives said to me "Why, any man would know they were after you when they turn their backs when they see you coming. They are easy, these fellows." So he interviewed them. He said "What are you doing over here?" They said "Nothing in particular." The Chief of Detectives said "Are you over here on a case?" The men answered "Yes, we are over on a case for Macdonald." "Well," he said, "Why did you not report at Police Headquarters when you came in here?" One of the men said to the Chief "I saw you this morning and spoke to you at 9 o'clock on the corner down here." The Chief then said "Now, my young fellow, we will have no more of this talk. I don't get down until half past ten. I don't want any nonsense from you. The best thing you fellows can do is move along. I understand you are interfering with Mallory. You had a row with him in the past, and you are after him again, chasing him around." They denied that and said they were on their own business. Well, at noon that same day I saw these two fellows up near my house. I went to the 'phone and called the police up. I told Mr. Perdu that the two fellows were up round there and he had better come up and get them. They came up with this big van, but of course that would scare any bird.

Mr. KYTE: A band wagon?

The WITNESS: The chief explained to me when he got there: "There is no use coming up here because we have to use this bus, and we cannot get anybody. If they would supply us with an automobile I would get them all right." I was going to have them arrested anyway but they had said to the detectives that they would not have anything to do with me again. They left town and I never saw anything of them again.

*By Mr. Carvell:*

Q. Do you know who they were?—A. I could indentify one, I have seen him in Vancouver a dozen, yes, two dozen times. The other one I am not so sure about.

Q. From your present knowledge are they detectives or thugs brought over?—A. I understand they belong to the Thiel Detective Agency. Mr. MacDonald had been referred to the Thiel Detective Agency by the President, or somebody, of the Pacific Dredging Company.

Q. You do not know that yourself?—A. That is in his sworn statement.



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Q. Did you ever get a warrant?—A. No, there was no use in my trying to get a warrant.

Q. Now come back to the documents. You said a while ago that you had left them in the hands of Mr. Robertson, Mr. Barnard's partner, in trust.—A. Yes,

Q. Did you go back with the documents?—A. After Mr. Valiquet's report had been turned in, although I did not know it had been turned in at the time, I 'phoned Mr. Barnard.

Q. We will come to that later on, in the meantime I want to follow this matter up.—A. These documents were in the possession of Mr. Barnard all the time from the day I left Mr. MacDonald's employment.

Q. How do you know that?—A. I mean to say I complied with Mr. Barnard's request in connection with the papers. I waited until Mr. Barnard—Mr. Barnard told me he had asked to have an investigation, or that he had wired Ottawa to have a man sent out.

Q. Yes?—A. I really let the matter drop, because that was satisfactory to me.

Q. Now, skip over the matter of the investigation, although we will come back to it. I want to follow up the question of the papers.—A. All right; after Mr. Valiquet had been out and gone I 'phoned Mr. Barnard to find out the report. He told me there was absolutely nothing the matter out there, that Valiquet was going to report to Ottawa that things were all right. I don't remember the exact words. I started to laugh, I think, over the 'phone, and said "What a joke," or something like that, and hung up the receiver. I went down to Mr. Barnard's office, if I remember correctly, that day, and asked for the documents. He said "I gave them to Mr. Valiquet." I was taken off my guard completely that anything like that had happened to them, and I said to Mr. Barnard "Surely I must have come in here and misunderstood this thing from start to finish. I left them in trust with Harold Robertson, and certainly did not expect anybody would go off with them, or that you would give them to anybody; in fact, I was a little surprised that you had opened them, and that you and Mr. Valiquet were looking over them when I came up here the other morning to meet Mr. Valiquet." "Now," I said, "I want them." "Well," he said, "Valiquet has taken them away with him. I don't know how you can get them unless you write to Ottawa." I said "I guess I will have to write; you had better write, too." So then I told Mr. Barnard: "Why," I said, "Mr. Valiquet is an engineer of the Public Works Department, and as far as I can see had no right in any shape or form, or no authority to investigate anything in connection with these papers outside of an engineering investigation on the water front," and that I didn't see why those papers were let out of his hands to a man in the position Mr. Valiquet held. However, I left the office and I wrote Mr. Barnard and demanded the documents. Two days later, I think it was, I got a telephone message, or a message was received in my house, telling me that the documents had been returned, and that I was to come down and pick out mine, and Mr. MacDonald was to be given his.

*By Mr. Kyte:*

Q. Had Mr. Valiquet left for Ottawa when you were asking Mr. Barnard for the papers?—A. Yes, I don't think I went down to look for the papers at all that day; I didn't know just what to do, but the next day, if I remember correctly, Mr. Barnard 'phoned me to come down and pick out my papers and the rest would be given back. Incidentally, Mr. Barnard mentioned that these other people, I presume he meant Mr. C. E. MacDonald, and so forth, were threatening action if they did not get those papers back, so I thought: "Well, if they want to threaten action so will I," and I went to Mr. H. C. Hall.

*By Mr. Carvell:*

Q. What day?—A. Really, I don't know. It would be possibly two or three days, three days after Mr. Valiquet left, I think.

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Q. I might tell you it was round the 9th of November, but we will prove it in another way later on. It was some time after the papers were given to Mr. Robertson?  
—A. Oh, yes; I should say some weeks.

Q. Then what did you do?—A. Well, another letter was written to Mr. Barnard.

Q. Did you go to see Mr. Barnard?—A. I went to see Mr. Barnard with a lawyer and asked for the papers.

*By the Chairman:*

Q. With what lawyer?—A. A Mr. Stackpoole.

*By Mr. Carvell:*

Q. A partner of Mr. Hall?—A. No, another lawyer entirely. I went up with this Mr. Stackpoole, and Mr. Stackpoole asked for the papers. Mr. Barnard said: "I have not got them any where nearer than 100 or 200 feet from here."

*By Mr. Kyte:*

Q. Valiquet had not taken the papers to Ottawa at all?—A. Mr. Valiquet, in his evidence, said that he had taken them to Vancouver and returned them.

Q. But not to Ottawa?—A. Not so far as I know.

*By Mr. Carvell:*

Q. You did not get them anyway?—Mr. Stackpoole interviewed Mr. Barnard; I do not think I said anything. Mr. Barnard refused to let Mr. Stackpoole look at the papers under any consideration, and I only privately, and Mr. Barnard would not produce them at all, let alone give them up, so a letter was written to him.

Mr. CARVELL: Now, Mr. Barnard, I suppose I should ask you to produce the original letter. What I have is a copy.

Mr. BARNARD: Let me have a look at it. (Looks over copies.)

Mr. CARVELL: Is it necessary, Mr. Chairman, that I should ask him to identify it?

The CHAIRMAN: I think not.

Mr. CARVELL: Then I will read it. (Reads):—

VICTORIA, B.C., Nov. 9, 1915.

G. H. BARNARD, Esq., M.P.,

Messrs. Barnard, Robertson, Heisterman & Tait,  
Barristers, etc., Victoria, B.C.

DEAR SIR,—Having become aware of the fact that grafting on an enormous scale has been taking place for some time in connection with dredging operations in Victoria Harbour, whereby the country has been and is being defrauded of sums of money in the neighbourhood of probably \$150,000, I some little time ago laid the facts before you as one who should be interested in having the fraud exposed and obtaining restitution of the moneys from the guilty parties, and you then professed readiness to have the matter properly investigated, but stipulated that certain documentary evidence which I then had in my possession should be placed in charge of your law firm as a guarantee that this evidence would be available on such investigation taking place, and I thereupon, on or about the 23rd day of October, 1915, handed to your partner, Mr. Harold B. Robertson, a sealed envelope containing certain documents.

No open or satisfactory investigation has taken place, and it now appears evident that it is not the intention of yourself or the Government to see that a full investigation is to be held into the matter of this grafting. The evident desire is to hush the matter up, but I am resolved to see that the facts are looked into and the fraud exposed. I therefore made demand upon you for the return to me of these documents, so that they shall be preserved and available for pur-

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pose of evidence, but you failed to accede to my demand, and yesterday I repeated this demand upon you in the presence of a responsible witness, and you again refused to hand over these papers so entrusted to you for safe-keeping for me.

I now for the third time and finally, hereby demand return to me of all the papers and evidence of the fraudulent transactions in connection with the MacDonald contract for dredging at the outer wharf, Victoria harbour, entered with the Government of Canada, and unless the same are forthwith returned to me, I shall be compelled to take legal steps to ensure their return. I shall once more have my representative attend upon you at 4.30 o'clock this day to receive these papers.

Yours truly,

G. E. MALLORY.

Then there is a memo:

I delivered the original, of which this is a copy, to Mr. Barnard on this date, Nov. 9, 1915, at 3.30 p.m.

"E. S. WOODWARD."

*By Mr. Barnard:*

Q. Who is Woodward?—A. I only know him by sight.

Q. Where does he come from?—A. He lives in Victoria.

Q. How did he come to get the letter?—A. He was given it.

Q. By whom?—A. I do not know whether I handed it to him or not.

Mr. CARVELL: Anyway, he was a messenger.

Mr. BARNARD: I wanted to get at whether Mr. Mallory knows who he is or what his employment is.

The WITNESS: I do not.

*By Mr. Barnard:*

Q. Was the letter written in Mr. Hall's office?—A. I do not remember.

*By Mr. Carvell:*

Q. There is no doubt it was dictated by the lawyer?—A. Yes. But I do not know where it was written.

Q. Anyway, did you receive a reply from Mr. Barnard?—A. Yes.

Q. Have you got it with you?—A. No.

*By the Chairman:*

Q. Was that letter written after the Government had been telegraphed to, and after Mr. Valiquet made his investigation?—A. After Mr. Valiquet's investigation.

Q. From that letter it would appear that no investigation had been made?—A. I told Mr. Barnard it was unsatisfactory in any way, shape or form.

Mr. BARNARD: I thought so myself.

Mr. CARVELL: I am coming back to that point. I want to follow up the letters in this part of the case first, and then I intend to go back to what this witness knows about this investigation.

Mr. BENNETT (Simcoe): The Department was wired on the 22nd October.

Mr. CARVELL: This correspondence is dated the 9th November.

The CHAIRMAN: Have you Mr. Barnard's reply?

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Mr. CARVELL: I have a copy. It was written on House of Commons paper, and is as follows (reads):—

HOUSE OF COMMONS,  
OTTAWA.

VICTORIA, B.C., November 9, 1915.

G. E. MALLORY, Esq.,  
1129 Leonard St., Victoria.

DEAR SIR,—I have to acknowledge the receipt of your letter of this date. I wish at once to emphatically deny that there is any desire upon my part to hush up the matter you refer to, or to in any way prevent a full and complete investigation being made.

I cannot return the documents to you for the reason that a demand on me has been made for them by the solicitors for C. E. MacDonald & Company, whose property as you are well aware I have the best of reasons for believing some of them to be. I am not in a position to state what are your documents and which of them belong to C. E. MacDonald & Company.

What I propose to do is, as I told you yesterday, to place the documents in court upon any proceedings being taken by either yourselves or MacDonald & Company to enforce their return, when the title to them can be properly decided.

Yours truly,  
"G. H. BARNARD."

*By Mr. Carvell:*

Q. Now, did you start a suit against MacDonald, or did he start one against you?—A. Mr. Barnard, I believe, entered an inter pleader action that brought the thing to the Court, when we had each threatened him with action to recover the papers.

Q. By some process the matter got into Court. Before whom?

Mr. BARNARD: The Judge of the County Court, Judge Lampman.

*By Mr. Carvell:*

Q. An investigation was held?—A. There was a preliminary investigation.

Q. It was on discovery, I presume?—A. An examination for discovery.

Q. And a finding was made deciding that some belonged to you and some to MacDonald, that is the substance of it?—A. Yes.

Mr. CARVELL: Unless some other member of the Committee follows that up, I do not propose to take up time with it, because it is not of very much importance.

Witness retired.

It being one o'clock, the committee adjourned until 3.30 o'clock.

Mr. G. E. MALLORY.

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HOUSE OF COMMONS,

COMMITTEE ROOM No. 301,

FRIDAY, April 7, 1916.

The Committee resumed at 3.30 p.m., the Chairman, Mr. Middlebro, presiding.

MR. G. E. MALLORY, recalled and his examination resumed.

*By Mr. Carvell:*

Q. Well, Mr. Mallory, before lunch we had heard, I think, that portion of your story that referred to the books and documents. Now I want you to go back to the meeting in Mr. Barnard's or Mr. Green's office, I am not sure which: was there anything said by either you or they, or either of them, with reference to an investigation?—A. There was nothing said in Mr. Barnard's office at the first meeting.

MR. BARNARD: Which office are you speaking of or which meeting?

*By Mr. Carvell:*

Q. I am putting it generally, we will say on the 22nd or 23rd of October, I think you were there on both of those days?—A. The first time I was in Mr. Barnard's office nothing was said about an investigation.

Q. Now about the second time?—A. The second time Mr. Barnard said he had sent a telegram, I do not know whether it was to the Minister or to the Public Works Department.

Q. To Ottawa, to some official at Ottawa?—A. Yes.

Q. Did he tell you what the telegram contained?—A. No, he said he asked for a man to be sent out to look into the matter.

Q. Did he state whether or not he had received a reply?—A. I believe he said he had received a reply and that a man was being sent.

Q. Now do you know anything that took place regarding this investigation up to the time Mr. Valiquet got there? And if so, what it was, and if not, I want you to tell what first happened after Mr. Valiquet arrived.—A. There was nothing took place, as far as I know, in the way of investigating the thing until Mr. Valiquet got there. Oh yes, a telegram was received by Mr. MacLachlan, I cannot give you the date, anyway it was the day following the day these men came back from Vancouver.

Q. You said this morning that would be about three days after the 22nd?—A. That might be about it.

Q. That would be about the 25th or 26th of October?—A. Yes.

Q. What was in the telegram to Mr. MacLachlan, as far as you know?—A. I have the information from Mr. Barnard only, he told me it instructed MacLachlan to have no further dredging done nor material dumped until further notice. Then he took the telegram to Mr. Barnard and wanted to know what was the matter. I do not know what he was told.

Q. Of course that would only be hearsay, I do not want you to give me that. But now, getting down to the conversation with Mr. Valiquet what happened then?—A. I saw Mr. Valiquet, I was introduced to him in Mr. Barnard's office about eleven o'clock, I think.

Q. I want you to tell the whole conversation between you and Mr. Valiquet or Mr. Barnard regarding this investigation.—A. Mr. Valiquet asked me if these were the papers I had given to Mr. Barnard and I said, "Yes." "Well," he said, "there was nothing very much in them." And he asked me several questions about my

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experience in connection with dredging. I told him that I had not had any, I had been a good deal on construction work where they used steam shovels, in which the principle was the same, and I did not see it was necessary to have such a great deal of experience where the man was connected with a work, that is particularly dredging experience. He said, or Mr. Barnard said, "What do you think about investigating this thing. What do you think would be the way of investigating it." I said, "I understand the change in classification was claimed to be rock instead of dirt, and personally I would like to see the bottom of the cut excavation as it stands sounded for solid rock and if it was considered a cemented gravel that we shot it would break in chunks and I would like to have the sill sounded and we would surely pick up some of these chunks in it, and you could tell from the quantity of rock in the sill whether there was anything taken from the cut like what was claimed should be." Well, objection was raised to that, that this hard material would all be dissolved or disintegrated by the action of the water, that is insofar as it was not rock, and I said I did not think so.

Q. Did you subscribe to that doctrine or not?—A. Oh, no.

Q. You say you do not think so?—A. No, I claimed they would find it there if they went there that way, but there was objection to it. Mr. Barnard said something about putting a diver down and Mr. Valiquet objected to that. I do not know that I said anything about doing that, but I would object to it because the bottom would be broken up, and although it was rock there would be a certain amount of sand, gravel and other material carried backwards and forwards in some of the great storms and the diver could not tell, except where the pinnacle sticks up, whether it was rock or not.

Q. You agreed with Mr. Valiquet that it would not be a satisfactory investigation?—A. Yes, but at that time Mr. Valiquet said he had 25 or 30 years of experience, probably more, and he would take the dredge right out into the harbour and dredge and make a practical test of it. They did not name the dredge. I said, "That is all right, that is the scheme," and I went away. I was there about ten minutes. I watched the waterfront to see if the dredge *Ajax*, the Government dredge,—I do not remember whether it was mentioned that time or not, or whether it was later that the dredge was to be used. I watched the waterfront to see whether the dredge *Ajax* was used, I had not been given any invitation to take part in it, and I thought the best thing I could do was to watch from the shore. I did not see the dredge *Ajax* at all and I concluded that no practical test had been made; I did not even know that the *Puget Sound* had been used.

Q. Do you know whether it was used or not?—A. Except the statement of Mr. Valiquet.

Q. And what did he say?—A. He said he had used the dredge *Puget Sound* on a certain area.

Q. Of course you were not present and therefore you do not know what took place?—A. No. I was not watching the dredge *Puget Sound* at all, I was watching the dredge *Ajax*, and I had further reason for watching for it when I found Mr. Barnard, after Mr. Valiquet had left. I asked him: "How did they make out?" But I could not get a report of anything. I asked Mr. Barnard, "How did Mr. Valiquet make out in his test, what did they use?" "Well," he said, "they used the dredge *Ajax*." I said, "It is funny," I watched for that dredge and didn't see it out there, and I have reason to believe it wasn't in the city at all, or along the coast there at all, it was up the coast, I understand. However, I did not see Mr. Valiquet again.

Q. You did not see him again—A. No.

Q. Did Mr. Valiquet ask you anything about the nature of the material dredged from the bottom, whether it was rock, cemented material, earth or anything else?—A. Not that I remember of.

Q. Have you now told practically the whole of the conversation between you and Mr. Valiquet?—A. Yes.

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Q. Did you have any conversation with Mr. Valiquet alone or was it all in the presence of Mr. Barnard?—A. I never saw Mr. Valiquet except that once in the presence of Mr. Barnard.

Q. Did you go back to Mr. Barnard to find out what was the result of the investigation?—A. No, I waited some time and thought I should have been told, and then I 'phoned and asked him on the 'phone.

Q. What information did you get from him?—A. That Mr. Valiquet had found everything all right. I asked what dredge they had out there, and he said the *Ajax*, and they could not raise anything. I believe this was his conversation, "I believe he has reported to Ottawa to that effect."

Q. And it was after that you asked him for the return of the papers?—A. Yes.

Mr. CARVELL: That is all I have to ask, Mr. Chairman.

*By the Chairman:*

Q. Just a few questions before Mr. Barnard starts. Was the original agreement with them in writing?—A. In what connection?

Q. Giving you the wages, or whatever it was? Was there a wage contract?—A. No.

Q. It was not in writing?—A. No.

Q. To pay you \$125 a month?—A. No, it was not for \$125 a month, it was \$150, but I was supposed to take the \$125 for the first month.

Q. But the agreement was not in writing?—A. No.

Q. For how long did you take the \$125?—A. I was there for several months.

Q. You commenced on the 10th of June?—A. I could not say when I commenced.

Q. You have already given evidence of that.—A. I think it was the 1st of June.

Q. I think it was the 10th you said?—A. No.

Q. Well, then, the 1st of June.—A. That is when I started I think.

Q. You worked during June?—A. Yes.

Q. July?—A. Yes.

Q. August?—A. Yes.

Q. September?—A. Yes.

Q. Before you asked for any raise?—A. In the meantime I hinted at it several times, and Mr. McDonald had gone out of the place. The plain hint was sufficient.

Q. You worked for four and a half months until you made up your mind to ask for a raise?—A. I made up my mind I would ask for it openly.

Q. And in the meantime you took \$125?—A. Yes, sir.

Q. How much did you ask for in the middle of October?—A. I asked for the balance, or the difference between the amount I was getting and the amount I was promised.

Q. Why did you ask for an increase in your wages?—A. I did not ask for an increase in wages, I asked for what was due me.

Q. When did you last ask for the increase before the 15th October?—A. It was before the 15th.

Q. Was it the first of the month?—A. I cannot say, I had spoken to Nelson about it before that, and so far as Mr. McDonald was concerned I had spoken about it directly. He had been talking about the salaries of the men on the dredge. I was in charge of the dredge and over the head, and giving instructions to all the men on the dredge and the foreman that was on the dredge, several of whom were getting more than I was. That is, they were getting \$150 a month and right then and there, I said to McDonald—

Q. Well, but the time you were asking for an increase in your salary you knew things were crooked there according to the entries in your diary?—A. Of course I knew things were crooked.

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Q. And you were willing to remain on if you got an increase in salary?—A. I did not say I would remain on.

Q. Did you ask for the increase in salary for the purpose of remaining on?—A. No.

Q. You did not ask for that purpose?—A. No.

Q. Did you intend to leave as soon as you got the increase?—A. I did not—I do not think I had any thoughts of any—

Q. As a matter of fact you intended to remain if you got the increase in salary?—A. Well, as a matter of fact I was not going to stay because Mr. Nelson and Mr. MacDonald had one continual round after round of row after row, and things were getting too unpleasant.

Q. You said in the first part of your evidence you suspected there was something wrong before you went on the job at all?—A. No, I said I did not particularly relish the idea—

Q. You did not particularly relish the idea?—A. Of Mr. Nelson's financing Mr. McDonald.

Q. So you thought there was something wrong before you went on the job?—A. Insofar as the change of classification was concerned I did not have the faintest suspicion.

Q. I ask you again. You thought there was something wrong before you went on the job?—A. Insofar as Mr. Nelson financing Mr. McDonald.

Q. And your first entry was on the 14th June?—A. I think so.

Q. And that indicates that something had been going wrong for some time. "The same old game" as you put it.—A. That is the financing.

Q. But as a matter of fact you seem to have gone there with mind made up that there was going to be something wrong?—A. Not insofar as the estimates were concerned, no.

Q. As far as what, then?—A. All I suspected, or had any suspicion of was that an employee of the Department of Public Works was raising money to finance the contractor for Government work.

Q. You knew that was wrong?—A. Well, I was not financing the man.

Q. But you knew it was wrong?—A. I didn't think it was right.

Q. If you did not think it was right I suppose it was wrong? Then you made entries in your diary from time to time such as this. At one time you accused Mac-lachlan of "having filthy stuff in his grip"?—A. No., I did not accuse him, that was just in my mind.

Q. Just floating in your mind? But you put it down in your diary.—A. Yes.

Q. But you did not accuse him of that?—A. The grip was in there.

Q. And you put down in your diary it was filled with filthy stuff?—A. Well, I call money that.

Q. You call money filthy stuff?—A. Yes.

*By Mr. Bennett (Simcoe):*

Q. Did you not mean by that it was dishonest money?—A. I meant that it was dishonestly used.

*By the Chairman:*

Q. Did you not mean that \$2,500 had been paid to this man and you thought it was graft?—A. I thought it was graft, yes.

Q. And did you not also write this down in your diary as "rotten robbery"?—A. Yes, sir.

Q. And notwithstanding that you remained in the employ of these men and gave in estimates which you knew were deliberately wrong?—A. I gave in estimates up to

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the point where it was just on the turn of wrong, or right or wrong, and the estimates were stopped at that time through my action.

Q. You gave the estimates to the 31st August, which showed the contractor had to get 18,000 yards of rock when you yourself say you did not think it was more than how many?—A. I said in my estimate for my own information I had made, about 10,000 yards or a little over.

Q. I have taken a note of it. The very first estimate you made you said you thought it should not have been more than 500 yards when as a matter of fact there were 4,783?—A. I was doing exactly——

Q. Just answer the question, is that right?—A. What is it?

Q. You said there should not have been more than 500 yards when as a matter of fact you returned 4,783, a difference of \$38,000 over and above what you say should have been returned—A. I did not return it.

Q. You knew it was being returned.—A. I had an idea.

Q. Then you gave the slip upon which to make the return?—A. By written instructions.

Q. I don't care whether it was written or not. Do you think you had any right to do it?—A. I was under salary.

*By Mr. Bennett (Simcoe):*

Q. Just one question. Your object in asking for an increase in salary was simply to secure it and then leave?—A. My object in asking for an increase of salary was simply a matter of principle. The man told me he would give me a certain amount and he need not have paid it out of the contractors' moneys, he could have given it out of the \$3,000 money Nelson raised for him or the \$2,000 money got from this man Weeks.

Q. Your intention was to leave him because of these dishonest goings on?—A. I do not think I had any particular idea of leaving at that time.

Q. You would have stayed if you had got the increase?—A. I am not saying I would or would not have.

Q. Were you not trying to work a little blackmail?—A. No, I was not.

Q. You knew there had been something crooked and you took advantage of that to try and get an increase of salary, was that not your reason?—A. No, I had no idea of any such thing.

*By Mr. Barnard:*

Q. Mr. Mallory, you began your employment with C. E. Macdonald when?—A. I think it was the 1st of June.

Q. The first of June?—A. I think so.

Q. Had you given up any other position to take this one?—A. You had offered me a position, and the same day I was employed by Mr. Macdonald.

Q. You were in pretty hard circumstances, were you not, up to that time, you had been out of employment for a long time?—A. Yes.

Q. And you had come to me on two or three occasions with an idea of getting something under the Government?—A. Yes, sir.

Q. And just at this time, about the 1st of June, while I told you we had nothing for an engineer, there was something that would buy bread and butter for the kids?—A. Yes, sir.

Q. And I agreed that, so far as my influence was concerned, you should have that position out at the Government docks, that is right?—A. Yes.

Q. Then, when Mr. Macdonald offered you this position, you gave up the other and took this?—A. Yes.

Q. At that time you thought I was a pretty good fellow, didn't you?—A. I didn't give any particular thought about it. I thought you had done me a favour.

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Q. You remember that you came to me to explain about taking the new position instead of the one I offered you?—A. I came to you and tried to explain it.

Q. And I told you, I had not the slightest objection, there were plenty of men getting the position you were not taking?—A. That is right.

Q. So that, as a matter of fact, up to the 22nd October, that is the day you came to me and first told me about these irregularities, you had every reason, so far as I was concerned, to consider that I was friendly towards you, certainly not unfriendly?—A. Yes, I think so.

Q. In fact, you never had any intercourse with me since the time you first went on this position, I think that is right. I don't think we ever spoke to each other?—A. No, I do not think so.

Q. Now, when did you first begin to think things were going wrong there?—A. Well, so far as Mr. MacLachlan's opinion of the yardage was concerned, it would be in July.

Q. In July?—A. Yes.

Q. Well, when did you think that things were crooked?—A. Well, I thought that they were beyond all reason when it came to the August estimate.

Q. Until the August estimate you thought that you had no real grounds for suspicion?—A. I felt if I took the matter up with anybody, there was a greater chance, this was just a slight error of judgment, that is all there would have been said.

Q. Of course, you remember the other day when you were being examined, the first June estimate was under discussion, and at that time you said that it was not an unusual thing—and you did not shy off at it very much—for an engineer to give the contractor some leeway in respect to the first estimate in order to get his plant together?—A. All right.

Q. You told us that the other day?—A. Yes.

Q. So then, at that time, then, I should say that you were not altogether dissatisfied with the conditions, or were you?—A. Well, that amount of rock was not given from the engineering leniency standpoint at all. It was given by pressure.

Q. At that time, when that estimate went in, were you not beginning to get suspicious?—A. Well, there had been a lot of—

Q. You see, Mr. Mallory, you went on so long after this that I would like to know when you first began to think that things were not right, because I would like to know how long you persisted in what was clearly wrongdoing on your part just as much as on theirs. The sooner you started being suspicious, the longer you were doing wrong. What I wanted to get at was when you thought your part in this wrongdoing started?—A. My part of the wrongdoing?

Q. Yes, in assisting to make out wrong estimates?—A. I said that the August estimate was the first one that had gotten out of reason.

Q. I see.—A. And the September estimate was stopped, I believe.

Q. Was what?—A. Stopped; it was not paid.

Q. Then, in your mind, at that time everything was all right up to the time the August estimate was put in?—A. No, it was not all right, but it was protected by the amount of yardage that could be gotten out of the work.

Q. Then there was no occasion for any great apprehension up to that time?—A. Well, I could not say that a man could prove anything in particular if he tried ever so hard, because the yardage, even if it had not been there, it was to be excavated.

Q. The entries in your book, you told us the other day, they were all made on the day of the occurrence or the succeeding day. How long an interval would be the longest that would elapse between the time you would make your entry in the diary and the date of its occurrence?—A. I could not exactly say. I entered it up as soon as I could.

Q. Would it be a day or two, or a week?—A. I tried to keep it up right along.

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Q. What did you do?—A. I think I succeeded in keeping it up pretty well.

Q. You do not think more than a day passed before you made an entry of the previous day's work?—A. I tried the best I could to enter it up each evening.

Q. Now, if everything was all right until the August estimate went in, will you tell us why you made this entry on the 29th June? (Reads):—

“When Nelson is leaving he steps back from the other two and tells me to make up a good estimate for Maclachlan and he will copy it O.K.”

That is, Maclachlan will copy it, I suppose?—A. Yes.

Q. (Reads):—

“I added \$2,000 to the approx. liability on instructions from Macdonald after Nelson had left.”

A. Yes.

Q. Did you think that was all right?—A. Well, that was—

Q. That was in June?—A. That was in June, and a liberal allowance, as I said, is always—not always, generally—made by an engineer that has had a great deal of experience in order to help him the first month.

Q. As a matter of fact then, that was not too bad?—A. It was a thing that might have been done by another contractor, and would be done by the engineer as far as the excess—

Q. It did not shock your sense of morality then?—A. Not particularly.

Q. If it did not, why did you go on and say this? (Reads):—

“Have been thinking over Nelson's talk to Maclachlan, Res. Eng. He will get the Res. Eng. in trouble before this business is finished.”

A. That is the way he had started out. He had not gone that way.

Q. Your sense of morality was not shocked?—A. He had not gone far enough to shock anything.

Q. I see. Why did you go on and say this: (Reads):—

“If Bob Rogers is a grafter I think Nelson an out-and-out robber.”

A. I will explain the conversation I had with Mr. Nelson in that connection.

Q. At that time your sense of morality was not shocked?—A. Mr. Nelson and I had a conversation on entirely another thing. It did not touch Mr. Macdonald's contract.

Q. Notwithstanding the fact that you had Nelson's request that day to add \$2,000 to the amount that you had previously intended to put in, you say that the rest of this entry had nothing to do with it, that is where you are calling it “an out-and-out robbery,” in writing down that Nelson is “an out-and-out robber,” you did not have in mind—A. I had in mind that Nelson was using influence that finally would run Maclachlan into trouble, but at that time he had not gone beyond the limit.

Q. But you thought everything was all right up to that time?—A. Mr. Maclachlan was as safe as could be as far as the engineer on the work was concerned.

Q. Everything was all right. You didn't by any chance put that little last line in that entry subsequently?—A. No, it was when I was thinking it over, I thought of this conversation that we had.

Q. What was the reference to Mr. Nelson, how did it happen to come in about him?—A. Because Mr. Nelson has always posed as a very great friend of the Minister of Public Works. I understood from Mr. Nelson that he had been sent out to British Columbia by Mr. Rogers.

Q. Now, Mr. Mallory, you made some mention here the other day about a motor car?—A. Yes.

Q. You stated that Mr. Nelson had a Government car which he sold to Mr. Maclachlan?—A. That is the way Mr. Nelson informed me.

Q. You stated quite positively that it was a Government car? Do you stick to

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that?—A. I stick to it, for the simple reason that I was told so by the official who was riding in it.

Q. Do you say now it was a Government car?—A. Well, I will say this that the license was in the name of the Department of Public Works.

Q. When?—A. The one that was transferred when it came to Victoria, and it appeared on the records in Victoria.

Q. As what?—A. As being transferred from the Public Works Department to C. E. Macdonald, that is the license, that is as I remember it.

Q. Do you know when it was registered in the name of the Public Works Department?—A. No, I do not, the registration slip was typewritten.

Q. Do you know when it was transferred?—A. No, I do not know when it was transferred.

Q. You say it was transferred when it was brought to Victoria?—A. Yes.

Q. Was that before you were on the job or after you were on the job?—A. I cannot say that, I do not remember when the car was brought over.

Q. Did you search the records for that?—A. No, Mr. Hall did that for the examination for discovery.

Q. Mr. H. G. Hall?—A. Yes.

Q. You will not swear now that at the time Nelson transferred that car to Macdonald it was not his own car, will you?—A. I would swear that my information came from the man that used it all the time.

Q. But will you swear that it was a Government car or would you say that you do not know anything about it?—A. I would say that I was not told by the Government that they owned the car.

Q. You were not told by the Government?—A. No.

Q. You do not know whether it was a Government car or not?—A. I have not first hand information, I haven't seen the bill of sale, I could not say positively about that, no.

Q. And so your information then is to the effect that that car was transferred, or that the registration of the car was put in Nelson's name when it was transferred to Victoria?—A. No, it was put in the name of C. E. MacDonald.

Q. In the name of C. E. MacDonald?—A. By Thomas Plimley, the automobile agent.

Q. Who was it transferred from?—A. The slip that came over to be used for the transfer was typewritten, with the license number on, it came from the Provincial Office in Vancouver, Department of Public Works, described the car and transferred to so and so.

Q. Transferred to whom?—A. To C. E. MacDonald.

Q. Did you see that?—A. Yes, I believe I did see it, the certificate or whatever you call it, was brought up to the office, and I saw this there, a typewritten copy, to the Department of Public Works.

Q. And you say the Department of Public Works transferred that to MacDonald?—A. I say it would be transferred from—

Q. The Department of Public Works to MacDonald?—A. Insofar as that document was concerned.

Q. Where did you see that document?—A. It was in Mr. MacDonald's office, he has it yet, I believe.

Q. Would you be surprised to know that the car was transferred four months or six months before you had anything to do with it?—A. I would be surprised because I saw it myself.

Q. Would you be surprised to see a telegram from Colin S. Campbell to that effect, would you accept that?—A. If Mr. Campbell says it was registered in that particular one.



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Q. The telegram is dated on the 6th of January, 1915, which is four months before you ever had anything to do with MacDonald?—A. That may be so, but I based my opinion upon a written document I saw in MacDonald's office; that is what I base it on.

Q. You are making a statement altogether on hearsay.—A. I am making it on what I saw in writing.

Q. As a matter of fact would you be surprised to hear that the Department of Public Works never owned a car; would that surprise you?—A. Well then, Mr. Nelson was just leading me to think that he was some great person who was handed a car or something like that.

Q. He may have had some object in doing that, I do not know about that. You told us, Mr. Mallory, this morning, I think before you commenced working for the sub-contractors that you conducted an estimate of your own?—A. Yes.

Q. How did you come to do that?—A. I got the plans from Mr. McDonald and told him I would like to have a look over the work.

Q. Did you know you were going to be employed by him? Or did you do this simply out of curiosity?—A. No, I did not know I was going to be employed exactly, because McDonald did not know he was going to get the contract. I knew him and he said he thought he was going to get it, that he had been expecting to get it and had been expecting it for six or eight months.

Q. About when was this?—A. It was just a short time before I came up to see you in connection with the work when you offered me a position.

Q. And you worked it out at 10,100 yards?—A. Something like that.

Q. Why then on your examination for discovery did you make the statement there was not more than 7,000 yards on the whole work?—A. Because Mr. MacLachlan had figured it out and said, and the other officials too, that 4,300 was the quantity. Well 7,000 yards according to their basis of figuring had cut off a big piece of the area from what I had figured, and 7,000 yards was a liberal estimate for the area to be covered.

Q. And you changed your figures?—A. I did not change any figures, I simply changed my idea of the number of yards, the total number of cubic yards in the work, and it would naturally affect the rock.

Q. Then you say that statement is not made with any desire to minimize the quantity of rock that was there?—A. No, in no way at all.

The CHAIRMAN: In what action did this examination for discovery take place?

Mr. BARNARD: In the examination for discovery in the action of Mallory vs. MacDonald. The papers were sent down to the House.

*By Mr. Barnard:*

Q. At the examination for discovery you were speaking of the August estimates, and the question was put to you: "Have you any complaint to make about that 700?" That is the 700 yards of rock. Your reply was: "A. I say there was not, 7,000 yards of rock was not dredged that month. I say 7,000 yards of rock is more than there was in the entire work." A. That is right.

Q. You say now that is right?—A. That was right at that time. As far as that piece of work goes it is right yet—

Q. What do you say to Mr. St. Laurent's estimate?—A. Unless Mr. St. Laurent had drawn Mr. MacLachlan's attention to it long before that time so that he knew the yardage was legitimately increased from 4,300 to 13,000.

Q. Then your estimate of 10,000 yards is wrong?—A. My estimate of 10,000 I took from figures that were given me, as I said. I was told that the work to be dredged ran in certain directions—so many feet in certain directions and so many feet in other directions, and so on—which gave me the squared area. I worked off

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that and the soundings that were there to get the yardage, but I found that the area was not that large, or what I supposed it to be. It was almost half again, almost cut in two in the area where the rock was the deepest, or where there was the most in quantity, which reduced the estimate, and I made the estimate instead of 4,300 yards I allowed very liberally for going round the outside, which gives more rock per foot for each foot you go out in the case of these contours.

Q. You did not allow enough then?—A. I allowed quite sufficient in my estimate of 4,300 yards, I am not talking about my estimate of 10,000.

Q. Mr. St. Laurent says there was 15,000?—A. That is with the extended area I am talking of the contracted area. I made an allowance on the contracted area of 10 feet with a slope all the round on the area, which increased the yardage to approximately 7,000 yards.

Q. Now will you tell us, Mr. Mallory, why, when as early as the 20th of June you had commenced suspecting fraud and stealing and dishonesty you continued to be a party to putting in these false estimates?—A. There was no fraud and no proof of fraud in any way, shape or form, in connection with that work in June.

Q. Notwithstanding the entry in your diary of the 28th June that Nelson had stepped back and told you to add \$3,000 to the progress estimates?—A. That is quite true. It was for the assistance of the contractor for the first month, which I believe even your departmental engineers will agree is warranted in every case.

Q. And notwithstanding the statement you made as to what Nelson was doing?—A. I said that because Nelson was running Mr. MacLachlan into a hole.

Q. You made up the estimate for August?—A. I did.

Q. That shocked your conscience, did it not?—A. I thought it stretched the point to the breaking point.

Q. Is that all you thought?

The CHAIRMAN: It was shown that there was eight times as much rock as the witness himself estimated.

The WITNESS: I am not saying there was eight times as much rock certified to.

*By Mr. Barnard:*

Q. Were the progress estimates all right to the end of July?—A. The July estimates didn't overtake the original quantity in the work as I had figured it out with an allowance for overbreak around the area in which rock was found.

Q. You thought you were all right in July?—A. I do not think I was all right. What I am saying is it did not exceed the total quantity if a decent allowance was made for overbreak all round it.

*By the Chairman:*

Q. Right there, that makes two statements you have made. You swore that on the 31st July, although the estimate showed 4,783 cubic yards of rock, you did not believe there was more than 500 yards?—A. Dredged.

Q. That is a difference of 4,283?—A. I grant that.

Q. And that is a difference of \$38,000 at \$9 a cubic yard, the estimates 4,283 yards when you did not think there was more than 500 cubic yards. That is eight times as much. Do you mean to say that does not affect your conscience to certify to 8 times as much rock as there should be?—A. I am not saying there was 8 times as much rock.

Q. And putting in estimates for 4,783 cubic yards of rock on July 31, whereas you had sworn there were only 500 cubic yards, does not that strike you as anything wrong?—A. I am not saying it did not strike me as anything wrong, I have not said that. What I want to say and do say was that that quantity could be overtaken in the work.

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Q. Keep on admitting that and it will soon take you a long time to overtake it.—  
A. I am not saying how long it would take to overtake it, but that it could be overtaken, and that there was protection in that way.

*By Mr. Barnard:*

Q. You knew, Mr. Mallory that Nelson had made up his mind he was going to get 30,000 cubic yards out of the contract.—A. No, sir. I did at one time but not all the time.

Q. When did you know that?—A. I could not tell you that.

Q. Did he say so more than once?—A. I don't remember, but there was one occasion.

Q. You don't remember whether he said so on more than one occasion?—A. There was one occasion when they were going to get 15,000, then 20,000, then 25,000, then 30,000 yards.

Q. They must have started with a small quantity at the beginning, they did not reduce the amount?—A. I don't remember when they did start. At first I do not remember any definite yardage being set by them.

Q. You knew that he expected to get 30,000 yards of rock out of this?—A. I will say I did not know.

Q. You will say you didn't know?—A. Yes.

Q. But you came to know it when?—A. Along in—I could not say the date.

Q. You remember the question was put to you on the examination for discovery:—

Q. He managed to get their classification changed from earth to rock?—

A. Yes, he told me and I heard him expound on it a good many times that they were going to get 30,000 yards of solid rock on that contract—

A. So he had, but I do not remember—

Q. (Reads):—

—and he impressed on Maclachlan that 30,000 was to be the total quantity and I heard Maclachlan say I don't see where you get 30,000 because there is only 4,400 or 4,800 in the whole thing, and Nelson was over here every month to go after Maclachlan to raise the rock every month.

That started in June, or July or August?—A. He was there in July.

Q. And August?—A. I think so.

Q. And I think he missed September, didn't he?—A. I think so.

Q. It would be about those times he told you he was going to get the 30,000?—

A. I don't remember when he made the remark. I remember it was made.

Q. Then there is a further question. (Reads):—

Q. Did the sub-contractors render their estimate to Grant, Smith & Company?—A. I made out an estimate in McDonald's office and gave it to Maclachlan who in nearly every instance copied it exactly on his Department sheets and sent it to Ottawa, then he would call up Grant, Smith and say: Your estimate is so and so, then Mr. Jameson, the bookkeeper, would make up his estimate and phone up and I would go down and get it—that is it on the same sort of sheets. Then when the cheque came through from Ottawa Mr. Jameson as bookkeeper for Grant, Smith and Company was liable to the men that did this work for the amount shown on the estimate, whether it was Mr. Macdonald or the subcontractor. No subcontractor could have the contract from Macdonald without consent of Grant, Smith and Company.

Q. You made out the estimates, that is the figures of rock and earth moved during the preceding month?—A. I knew that there was approximately 60,000 yards in the contract.

Q. You say you made out the monthly estimates?—A. I did.

Q. That would be the figure of earth and rock moved during the period

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you made out the estimate for?—A. No, the estimate I made out was taking the total quantity and dividing it into the number of months that I thought it would take to do the work and working on such instructions as I had from Mr. Macdonald to make the estimate in such shape that it would pay all the bills for the month and then doubled it.

Q. Is that what you were doing all those months? First, that you found out what it took to make up the expenses, and divided it into the number of months, and then doubled it. Was that answer true?—A. I do not remember that I said "doubled it."

Q. Do you deny it?—A. I do not remember having made that remark.

Q. That is your evidence. Do you want to take it back now?—A. No, I was working under instructions.

Q. You were willing to do anything then. It did not matter how the Government came out?—A. I think I stopped just in the right time.

Q. That was when all the mischief was done?—A. All done? There had been put in about three or four thousand yards more than the actual quantity on the contract on a careful estimate.

Q. Three or four thousand is quite a bit?—A. It is coming as close as you can come to it without calling it no steal at all without an investigation. If it came down to one thousand yards it would probably be near enough.

The CHAIRMAN: What would he think the total quantity would be then? He made an estimate of the number of months they would likely be on the contract, and divided the contract by the number of months, and certified the estimate for that quantity.

Mr. CARVELL: He did not do any certifying.

Mr. BARNARD: I am not defending it. Do you think it was a proper thing for him to do, you gentlemen over there?

Mr. CARVELL: He did just what nine out of ten men would have done. He was employed by Macdonald.

Mr. BARNARD: Do you think it was a proper thing?

Mr. CARVELL: I am not under cross-examination by you. You had better direct your attention to the man who certified for these things. This witness has confessed and told you the whole story. It is none of your business what my opinion would be.

The CHAIRMAN: That is what this witness swore to on oath—how long ago?

Mr. BARNARD: This was on the 1st December, 1915, less than two months after.

The CHAIRMAN: Let us hear that answer again.

Mr. BARNARD: (Reads):—

A. No, the estimate I made out was taking the total quantity and dividing it into the number of months that I thought it would take to do the work and working on such instructions as I had from Mr. McDonald to make the estimate in such shape that it would pay all the bills for the month and then doubled it.

*By Mr. Barnard:*

Q. That is the answer you gave, you do not dispute it?—A. There is one thing that is misleading in it. I never made any estimate at all in so far as it being an estimate of any kind or form. I made a statement to the contractor.

Q. For the purpose of being handed to the engineer?

The CHAIRMAN: That is Maclachlan.

*By Mr. Barnard:*

Q. Maclachlan, on which he would base an estimate to the Department?—A. Well, I did not—

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Q. That is what you told us the other day?—A. I knew when I saw the estimate that it had been done.

Q. Didn't you know before you saw that? Is it your evidence?—A. I knew I was making a statement to the engineer, yes.

Q. To be submitted to the Department on a statement you were making out?—A. I made up the statement for Mr. Macdonald.

Q. For what purpose?—A. On his request.

Q. For what purpose?—A. As he told me, for Mr. Maclachlan.

Q. For Maclachlan?—A. Yes.

Q. To do what with?—A. So that Maclachlan could make up his estimate.

Q. To be sent to Ottawa?—A. So Maclachlan could make up his estimate.

Q. On which Mr. Macdonald was to be paid?—A. He expected to be paid.

Q. And you knew he expected to be paid?—A. Certainly I did.

Q. Then, you knew it was fraudulent and dishonest. Is that right or not?—A. What is it?

Q. You knew it was a fraudulent statement and a dishonest statement?—A. A statement?

Q. The statement you made up? You knew that the statements that you were submitting to the engineers' office—A. No, sir.

Q.—of the work being done were not correct?—A. But I knew what the statement came up to in dollars and cents, what Macdonald said I was to make it. Macdonald told me to take a certain number of dollars and cents and make it into yardage to come up to that dollars and cents, and I did it. It was for Macdonald.

Q. On the basis of the statement you made you knew the contractor expected to be paid?—A. He expected to be paid about that.

Q. And was paid in several instances?

Mr. CARVELL: If he succeeded in getting it through the engineer's hands.

The WITNESS: If he succeeded in getting it through.

*By Mr. Barnard:*

Q. However, as a matter of fact, Macdonald was using you to help him get the money?—A. No.

*By the Chairman:*

Q. That is quite fair. As a matter of fact they did go through, didn't they?—A. Some of the estimates are rendered the same.

Q. They went through, and after they went through you performed the same operation the next month, and two went through?—A. I performed the same operation for Mr. MacDonald.

Q. I don't care who you did it for.

*By Mr. Blain:*

Q. Mr. Mallory, suppose you had been told to make that up three times as large would you have carried out his instructions?—A. I was not told that.

Q. Where was your limit?—A. I did what I was told.

Q. Then, I say that if he had told you to double it or treble it would you have done it, acting under his instructions?—A. I cannot say.

*By Mr. Barnard:*

Q. Who classified this into rock and earth, you or the engineer?—A. I had nothing to do with classification.

Q. Can you tell us then why you made this statement on your examination for discovery at p. 27 (reads):—

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Q. You had the total figure of material given you to start with?—A. I figured that out myself.

Q. From what?—A. From the original plan.

Q. That is approximately 60,000 yards material?—A. Yes.

Q. Then who classified it into rock and earth?—A. The engineer was supposed to do that.

Q. Did he?—A. I classified it on those little slips that I made out.

A. For Mr. MacDonald.

Q. To work it out to the amount and you made it to cover all?—A. That is what I did.

Q. You made out this classification, you know you had to get a certain amount of money, first of all all your expenses and then double up that amount, so you made out a classification slip with rock in it to cover the amount for MacDonald, that is right?—A. Yes.

Q. Did you give it to MacDonald or MacLachlan always?—A. Once or twice MacDonald took it to MacLachlan direct and once I took it myself.

Q. Sometimes you took it?—A. Once, if I remember aright.

Q. I notice on the last page of your diary there is an account?—A. Yes.

Q. When was that put there?—A. I do not remember when it was put in.

Q. Was that written up all at once or transcribed from time to time?—A. No, that was written up at once.

Q. And it is a copy of what?—A. I won't say; this was put in right here for the advantage of Mr. Carvell because I did not know that it was to be put in here at all.

Mr. CARVELL: This was put in here for my information. Put a ring around it (indicating).

(Witness complied with Mr. Carvell's request.)

*By Mr. Barnard:*

Q. Was this all written at once, or from time to time as the transactions took place?—A. I think it was done at once, I do not remember much about it. (Examines diary.) This (indicating) is an account of moneys transferred to the Vancouver work, MacDonald's work, and it is supposed to be the profit of the August estimate, and this (indicating) is a summary down here.

Q. It was all written down at the same time?—A. I think so.

Q. Can you tell me under what circumstances you put that in there?—A. Mr. MacDonald had finished his work in Vancouver.

Q. Mr. MacDonald had finished his work in Vancouver?—A. Yes.

Q. But these entries at the bottom are for Victoria?—A. Yes, every month I made out something like that for him, that shows the amount, if I remember.

Q. But did you make it out in this book every month?—A. Oh, no.

Q. Where are the other books?—A. MacDonald has them.

Q. How did this come into your diary, what is the reason of its coming there?—

A. I put it in there in connection. I know the first part of it was put in there in connection with the Vancouver work, and I told you how it was put in, it was put in from a sheet of paper; I had the sheet of paper and I thought "I will copy it right here;" that sheet of paper is now in Mr. Hall's possession.

Q. When did you put it there?—A. I cannot tell you that.

Q. It was done after you had the trouble?—A. No, I do not think so, I do not remember; I will not swear to it.

Q. Why did you copy the entries out of MacDonald's books on a sheet of foolscap paper?—A. I would give a copy to Nelson and have a copy there for MacDonald to put in his pocket, and I thought it was just as easy when doing it to make a copy for myself.

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Q. If Mr. MacDonald was carrying the sheet around in his pocket how could you make a copy of it in your diary?—A. It was an extra sheet, I think I could get you the original sheet from which I put this down.

*By Mr. Bennett (Simcoe):*

Q. You mean the sheet of paper from which you took this memorandum?—A. It was a sheet of paper, I think it is in Mr. Hall's office now.

*By Mr. Barnard:*

Q. These memoranda (indicating) have certain initials beside them. I take it it is Nelson's and MacDonald's initials, and you say those initials have nothing to do with the account, they are merely memoranda?—A. I put those initials there for the information of Mr. Carvell and Mr. Kyte.

Q. The object in putting them there is not to make any particular charge against them, but to explain to Mr. Carvell and Mr. Kyte what items refer to certain moneys that you think were paid to them. You do not rely on this account with regard to moneys paid to MacLachlan and Nelson?—A. I say that if that same thing were looked up in MacDonald's books I think you will find it explains itself.

MR. CARVELL: I will not raise any objection to this explanation, but I am not putting this diary forward to prove anything. This witness is a stranger to me, he brings me what he calls a diary and I was perfectly willing that you should examine this diary, which, instead of the witness taking away as he might have done, he has left with the Committee, but do not say that we are putting it forward to prove anything. I simply put it forward now as a proof of the entry respecting the automobile.

*By Mr. Barnard:*

Q. I want to find out whether these entries refer to any particular transactions of which entries were made at the time, and I understand that they were not, as far as the entries were concerned?—A. I did not put this in there to make any capital out of it or anything like that.

Q. You mentioned, this morning, Mr. Mallory, a man named Halkett. Will you tell us again about that incident?—A. He came out on the dredge, looked around for a few minutes, and asked what was the matter, that he had heard there was going to be a change of classification, and he gave me distinctly to understand that he had taken the soundings, that he knew them to be correct, and he was not going to have anybody make his work out to be wrong.

Q. You said that his idea was that the new classification was wrong and he objected to it?—A. He objected to a change in the classification.

Q. Did he discuss the question of hard material?—A. He said he knew there was a crust at the top of nearly the whole area.

Q. Did he say how big a crust?—A. Yes, he said it was either from three to five or four to five feet.

Q. Over the whole area of hardpan?—A. He did not say hardpan, he said crust.

Q. Crust of what?—A. That is as I recollect. He did not use any expression like hardpan, he said crust. I knew there was a crust on it myself. We went through it with the dredge later.

Q. According to the entry in your diary of the 23rd of June, you spoke to Halkett?—A. I don't know the man at all. I always had his name mixed up.

Q. He said "He had heard there was some fault found with the contours as made by him on the plan of August 27, 1913, signed by Lafleur. Scale 100 to the inch. Marked 1 (in circle) in the upper right hand corner. He said he sounded the whole area and knew positively the work was right?"—A. Yes, that is what he said.

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Q. "He said there was a hardpan crust from three to five feet thick on top of nearly the whole area to be dredged, but there was very little rock above 36 feet low water at any point?"—A. I put that down as I believe it was said.

Q. Then he did not say there was a crust of hardpan from three to five feet thick?—A. If I have it there I believe he said it.

Q. Now, coming down to the occurrences of the 22nd of October. When you came to see me you were pretty excited, were you not?—A. Well, I was a little bit excited, yes.

Q. You were almost wildly excited, were you not?—A. Not exactly. I was excited enough and overstepped myself in one remark, if that is what you mean.

Q. You were excited enough to make the entry that you "should have kept your head this morning?"—A. That is about one of my remarks. I lost my head when I made the statement about Mr. Maclachlan.

Q. When you came in you did make the statement that you would prove by a cheque that Mr. Maclachlan had received \$2,500 from Mr. McDonald?—A. No, I did not make that statement.

Q. What did you say?—A. I said I had a receipt, I did not say I would prove anything, and immediately I turned to you and apologized to you for the remark and said—

Q. Did you not on a second occasion say "I lied this morning, I could not prove that, I was excited"?—A. No, sir, I did not say that. I said I was very excited and should not have made that remark.

*By Mr. Carvell:*

Q. What remark should you not have made?—A. That I had a receipt for \$2,500 by J. S. Maclachlan. During the description of the thing I had made that remark and I apologized for it at once, because I did not mean to make it and never thought of making it, but I was excited and did make it.

*By Mr. Barnard:*

Q. You made that statement to me in the morning, then you went down to Mr. Green's office and made it again there?—A. No, sir.

Q. You swear you did not? You went to get the papers and came back in the afternoon and said you could not produce that particular paper and then you retracted your remark?—A. I did not try to produce anything. The minute I came in I said "I made a remark this morning I am sorry for. I did not mean to make the remark at all."

Q. Do you recollect me telling you that owing to this being a political matter my firm would not act for you or advise you?—A. Yes, you told me that in Mr. Green's office but you did not even intimate that up at your office.

Q. Do you remember our discussing the question of employing some solicitor to look after your interests?—A. No, sir.

Q. Do you not recollect that?—A. I came to you as a solicitor, not as member of the Government.

Q. I told you I could not act for you. Do you remember my suggestion that you should speak to Harold Robertson, my partner and consult with him as to who you should get to act for you?—A. No, you asked me to have a talk with Harold Robertson, and intimated that he was in the office at that time and that I had better go right away, which I did.

Q. Did I not advise you to consult with him as to who was a suitable man?—A. You did not make any remark in connection with that.

Q. You deny that?—A. I deny you made any statement that Harold Robertson would tell me anything. You said "See Harold Robertson."

Q. You did see him?—A. I did.

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Q. Do you remember stating to Mr. Green and to me that if you had asked McDonald for money and he had given it to you you would not have said anything?—

A. No.

Q. You deny that?—A. I absolutely deny it.

Q. You have no recollection of ever having made such a statement?—A. I never made the statement.

Q. You never made the statement?—A. No.

*By the Chairman:*

Q. Did you tell them you had asked for more money?—A. I said exactly the same thing I said here.

Q. Did you tell them you had asked for more money?—A. I told them I had had a disturbance with Mr. McDonald over more money.

Q. Did you tell them you had asked for more money?—A. I did not ask for more money but something that was coming to me.

Q. Something you could not get?—A. I had asked for what was due to me and it was not given to me.

*By Mr. Barnard:*

Q. Did you consider there was any disposition on our part not to help you in this matter?—A. Well, Mr. Barnard, I won't say I did on your part.

Q. You won't say on my part?—A. No.

Q. Did you on the part of Mr. Green?—A. Well, I thought he was slightly tricky.

Q. You thought he was slightly tricky?—A. Yes.

*By the Chairman:*

Q. Mr. Mallory, what do you mean by this? "I can also notice by Mr. Barnard's actions and talk that he" and then what follows (handing diary to witness)?—A. (Reading). "He would have been much more pleased if I had kept my mouth shut."

Mr. BARNARD: "And let them steal." Is not that the rest of it?

*By the Chairman:*

Q. Although you now say he was trying to help you out?—A. I don't say that, no, sir.

*By Mr. Barnard:*

Q. You were very much afraid of these men, were you not?—A. I was not afraid of them except in this way: That I was not going to be insulted and was not going to have my family insulted for any particular purpose at all. I had gone as far as I could to get the two members in Victoria to have them arrested. That is, if any fear was shown it was shown there.

Q. Our business was to get the investigation, was it not?—A. No, sir. I appealed to you to assist me, not as a member of any Government or anything else, but to have those men arrested.

Q. Your solicitor was the man to do that?—A. I did not have a solicitor, I went to Mr. Barnard, who did not tell me he would act as one.

Q. Why did you not get one?—A. I did. I got Mr. Barnard. That is what I went to him for.

Q. And he declined to act?—A. I did not know it.

*By the Chairman:*

Q. Did you ever pay Mr. Barnard anything for acting as solicitor for you?—A. No.

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*By Mr. Barnard:*

Q. There was never any suggestion of my being employed as a solicitor in connection with you?—A. No, I went to you, Mr. Barnard, because I considered I knew you well enough and that I could lay the matter before you, and you could get me instant action.

Q. From the standpoint of the Government, and the fraud on the Government, what difference would it have made if these men were arrested or not?—A. Well, a certain operation had been gone through a little while previous, and it was something that never happened to me before, and is not going to happen again if I could help it, and I wanted to have it cleaned up right there and then.

Q. Let us get the answer to the question. What difference would it have made in the result of this enquiry whether they had been arrested or not?—A. It would have helped a lot. It would have been aired in the courts. You kept me from having them arrested.

Q. If they had been, it would not have helped the thing at all, it would not have saved any money to anybody?—A. Well, justice would have been gotten in the matter a great deal quicker.

Q. For whom?—A. The facts of the case and the whole thing would have come out. If there had been any guilty parties, they would have got their proof.

Q. You could have given all the facts out you liked?—A. I considered that I had done the correct thing.

Mr. CARVELL: I did not know British Columbia justice was like that.

Mr. BARNARD: Try New Brunswick justice.

Debate followed.

*By Mr. Barnard:*

Q. As a matter of fact, Mr. Mallory, you were very much excited that day, as you said in your diary. That is right?—A. I was excited.

Q. You were very much worried, and rather nervous about these men?—A. My nervousness—and you could not see any other nervousness about it—was to get these men behind the bars while I had the chance.

Q. You have in your diary that you told “Barnard and Harold”—that is Robertson—“that Nelson and Macdonald would do anything in their power to persecute, prosecute or put me out of the road, and that I (you) was nervous about it?”—A. I considered it that way. I had been sent to Harold Robertson. But these men were on the boat. They had gone with the documents. That was all that I considered either politically or any other way.

Q. Well, in your conversation, you and I and Mr. Green,—we all agreed that it was extremely desirable, if an investigation was to be had, that the people on the work should not know it was going to be held, that is the contractor and the engineer?—A. No, you did not say the contractor, sir, you said the engineer.

Q. The engineer?—A. Yes.

Q. I did not say the contractor?—A. Not to my knowledge.

Q. I see. Is your theory that I was standing in with the contractor?—A. I am not making any such assertion in any shape or form.

Q. You say we did not want the engineer?—A. No, you mentioned at the time you did not want the engineer to know.

Q. If there was anything wrong we did not want it covered up before the investigator could get here?—A. I do not remember you making that statement. You said: We will go on quietly and not disturb Mr. MacLachlan. The conversation was to that effect.

Q. Explain what you mean by not “disturbing” him?—A. That you could not take any action in connection with Mr. MacLachlan’s suspension or anything like that.

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Q. Because you had no evidence against him?—A. Yes.

Q. But that we did not want him to know there was anyone coming out to investigate for fear they would cover their tracks?—A. When you made a statement like that in connection with Mr. MacLachlan, I told you if you did not prove the thing by investigation, or if the man from Ottawa did not prove it, I would prove it to you by affidavit; and you said: "Where would you get these affidavits?"—A. I said: "From the men on the dredge." You said: "For heaven's sake, Mallory, don't take any notice of that class of men, you cannot do anything with them, I could fix them myself." That is the statement you made in connection with it.

Q. As a matter of fact, is there anything, or can you recall anything, which would make you think that we considered at that time it was of importance that it should not be known, that there was somebody coming out to Victoria to investigate?—A. I considered that you thought it was important enough to see to it, in so far as influence was concerned, your influence with me was concerned, that I keep clear of the police court, because then the thing would have come out.

Q. You say that was not stated. Do you deny that our position, that the position we took there was, that it was of great importance that C. E. Macdonald and MacLachlan should not know there was someone coming out to investigate?—A. I remember one thing that was mentioned. I said: "They can keep on dumping material in a certain spot," something like that.

Q. Did you agree to that condition?—A. If I remember correctly there was some conversation between us.

Q. Along this line?—A. And you considered that it should be kept very quiet until MacLachlan was told to shut down the work.

Q. That there was some one coming out?—A. Yes.

Q. Isn't that what I told the chief of police in your presence?—A. Mr. Barnard, the interview—Mr. MacLachlan had the orders in his pocket, or the order, to close down that work before you ever saw the chief of police.

Q. I know he did, but he did not know anybody was coming from Ottawa?—A. It was quite plain that somebody was coming out or something. You told me yourself that they had got wind of it through that telegram.

Q. Isn't that what I stated to the chief of police, that we did not want these men to know some one was coming from Ottawa?—A. No, sir.

The CHAIRMAN: You said in the telegram that you sent to the Minister, Mr. Barnard, "On no account mention matter to any Western Government official whatsoever." Your telegram said that.

Mr. CARVELL: Is there any evidence that that telegram was shown to the witness?

The CHAIRMAN: On the same date that this interview took place, this telegram was sent, and it corroborates what Mr. Barnard said about the matter being kept from the knowledge of the officials.

Mr. CARVELL: That does not corroborate that he said that to this witness.

The CHAIRMAN: He sent this telegram to the Department of Public Works telling them to keep it quiet.

Mr. CARVELL: And this witness says they did.

The CHAIRMAN: He wired the Minister of Public Works on the very date that this information was given him.

Mr. CARVELL: This witness is talking about what took place four or five days after that, when he went to the chief of police with Mr. Barnard, which was after a telegram had come to close down the work.

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*By Mr. Bennett (Simcoe):*

Q. Did you suspect that Mr. Barnard was a partner in this contract?—A. I have never made such an assertion.

Q. You do not now either?—A. No, sir.

*By Mr. Barnard:*

Q. You were pretty dissatisfied about salary away back in September, weren't you?—A. Well, I had been dissatisfied enough to intimate it once or twice, and, as I said, the man just would slip in the other room and close the door, or have business down street some place.

Q. You positively said you did not tell Mr. Green, or both, or either of us, that if you had been given more money by Macdonald you would not have told any one that there was anything wrong?—A. I never made any statement in any way, shape or form that would even lead you to believe that.

*By Mr. Bennett (Simcoe):*

Q. Are all the entries in this book in your handwriting?—A. I think they are.

Q. You think they are?—A. Any of the entries are, I write both backhand and print.

Q. I was looking at that, is that in your handwriting on the 17th (indicating)?—A. Yes.

Q. This was in print; you had lots of leisure at that time and printed it, I suppose?—A. I can print nearly as fast as I can write.

MR. BARNARD: I think those are all the questions I want to ask Mr. Mallory, but I think Mr. Pringle will want to ask him some, and he will be here on Monday or Tuesday.

MR. CARVELL: I am not objecting, Mr. Pringle has a perfect right to cross-examine the witness. I have only this to say, that I would like the witness to remain here as long as the Committee will pay his bills, because if Mr. MacDonald is coming here I think this witness should be allowed to remain.

MR. BARNARD: I have no objection to that.

Witness retired.

Mr. J. B. HUNTER, called, sworn and examined.

*By Mr. Barnard:*

Q. You are the Deputy Minister of Public Works?—A. Yes.

Q. The suggestion has been made here that the Department of Public Works owned a motor car on the Pacific Coast in connection with the office of the dredging superintendent, is that the case?—A. No, it is not correct.

Q. There was never any car belonging to the Public Works Department or paid for by it?—A. The Department has never had a car on the Pacific Coast that I am aware of.

*By Mr. Blain:*

Q. When Mr. Mallory made the statement that the Public Works Department owned a car at Vancouver, he is wrong in that respect?

MR. CARVELL: Just a moment, Mr. Mallory has not made that statement; he says he was informed they owned the car.

*By the Chairman:*

Q. Anyway, you say the Department never did own a car there?—A. The Department never did own a car on the Pacific Coast.

MR. J. B. HUNTER.



*By Mr. Blain:*

Q. And the Department does not own one now at Victoria or at Vancouver?—  
A. At either place.

Q. And therefore any official who told anybody that he was running a car owned by the Government was telling what is not true?—A. Yes.

Witness discharged.

Mr. R. F. GREEN, M.P., called, sworn, and examined.

Mr. CARVELL: It is not necessary, Mr. Chairman, to swear a member of Parliament.

*By Mr. Barnard:*

Q. You are member of Parliament for Kootenay?—A. I am.

Q. Do you remember Mr. Mallory coming to your office with me one day in October?—A. I remember your bringing him there, yes.

Q. Do you remember what occurred?—A. I was in my office and received a telephone message from you asking me if I would be there for some time as you had a matter of some importance that you wished to discuss with me. I said, "Yes," and you came down bringing Mr. Mallory. You told me what Mr. Mallory had said to you, in your office, in his presence, and we asked him to repeat the story over. He told us the story generally, commencing with the fact that he had been attacked by these men and that it was because he had interviewed McDonald, telling him that certain irregularities in his opinion were being carried on on the works, and that he and McDonald had had a quarrel, he had asked McDonald for more money, and that these men then attacked him, and the rest of his story is practically the same story as he told you and me as far as the documents were concerned. We asked for and got from him a large number of documents at that particular time, we examined and discussed them, and asked him further questions as to what he knew and what he did not know in connection with the matter and what proofs he had. I remember distinctly one statement he made was that he had receipts showing that both J. L. Nelson and J. S. MacLachlan had received moneys from McDonald. We asked him to produce the receipts and he said he had them at some other place and would get them for us. We discussed the situation with him in a way that to my mind would demonstrate to Mr. Mallory, or anybody else, that we had but one object in view, and that object was to get at the bottom of the situation as it existed there, and report it to the Public Works Department. We all went home for lunch, and he was back in the afternoon at 3 or 3.30. When Mr. Mallory came in he produced some further papers and then made the statement that he had not the receipt from MacLachlan, that he had made the statement in the morning that he hadn't any right to make, that he had not any receipts from MacLachlan to McDonald, and that he had lied when he said it. He said that he did it in the excitement under which he was labouring in the morning. We discussed the matter very fully with him, and in the discussion we naturally questioned him as to the demand he had made upon McDonald for more money. He admitted he had made the demand and, I think, it was in answer to a question by yourself, asking him, I think what you said to him was, "Would you not have gone on with your work and said nothing about this if you had got what you asked McDonald for?" His answer was, "I would". He said that very plainly and very clearly. We even went further than that and discussed the question with him if he did not know that was blackmail, and that he was liable to be punished for blackmail under circumstances of that kind. I do not know I can say anything more.

Q. Do you recollect any discussion as to the desirability of not letting this be known to the contractors and the engineer on the work until such time as the investi-

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gation came up?—A. Yes, we not only suggested but said that in our opinion as this material, according to his own story, was conglomerate, there might be some possibility of the work, as he said it was, being covered up if it was known generally there, known to these people, that investigation was about to be made; and the only question of any secrecy in the matter was from that particular point of view—so that the Department should have somebody on the ground before any possibility of a change in the situation could be bruited about.

Q. Do you recollect anything being said about his having a legal adviser and discussing the names of one or two people?—A. Yes, you told him that under the circumstances it would be impossible for you, being the member, to advise him or to take his case as a solicitor, or to advise him legally in the matter. You suggested that he should go up and see Mr. Robertson and confer with him, that Mr. Robertson would be glad to advise him as to who it would be best for him to employ as counsel. It was suggested that he go up at once and you telephoned to Mr. Robertson and found he was in the office. Then Mallory went out, presumably to go to Robertson's office.

Mr. CARVELL: I have no questions to ask.

Witness discharged.

Mr. BARNARD, M.P., having been called and sworn, made the following statement:—

When Mr. Mallory came to me on the 22nd of October he outlined the story of his having been mishandled by these different men. He was in quite a state of excitement. I took him down to Mr. Green's office and Mr. Mallory distinctly stated something to the effect—I am not positive as to the exact words—that the trouble between him and MacDonald was that he had asked for more money, that MacDonald would not give it to him, that if he had given it to him he would not have said anything about this matter. He also discussed the desirability of keeping this matter quiet, pending the investigation, on the ground that the contractors and engineers might try to cover their tracks. Two or three days later, whenever it was, I went with Mr. Mallory to the chief of police, and we called in the detectives. Mr. Mallory was at that time afraid of being done away with by these men. I went with Mallory to the office of the chief of police in order to see that he was properly protected, and I explained to the chief that it was undesirable to have publicity in this matter until the investigation took place. That is all there was to that.

*By Mr. Carvell:*

Q. Did the chief suggest laying information, or anything like that?—A. I think one difficulty was that Mallory did not know who the men were.

Q. Yes, but did the chief suggest that he should lay information and have a warrant issued?—A. Yes, I imagine that was discussed. It naturally would be.

Mr. CARVELL: That is all I want to ask.

*By Mr. Green:*

Q. Did you and I, or you, prior to your visit to the chief of police—I think it was the 23rd—call up the chief of the detectives, and make an arrangement with him to look after Mr. Mallory and see that he was not injured?—A. I do not remember.

Q. Did I do so?—A. I do not remember. I would like to say further with regard to these papers, that they were not in trust, so far as I know. I made it quite plain that I was not going to take the responsibility of stopping the work on a large contract like that and bringing a man all the way out from Ottawa to investigate, unless I knew that when he got there the documents would be forthcoming. Therefore the papers were held.

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Q. In connection with these papers, did Mr. Mallory display any hesitation at any time, from the moment he entered my office until he left it, in showing the documents and discussing them with us?—A. Not the slightest.

Q. At any time?—A. At any time.

*By the Chairman:*

Q. It was on the 22nd, the same day he came to your office, and you suggested to him to keep it quiet, that you sent the telegram to Mr. Rogers in which you said: "On no account mention the matter to any Western Government official whatever."—A. I did. And the further reason for that fact was this: I think that telegram is addressed to Mr. Rogers at Winnipeg.

Q. Yes.—A. I was aware of the fact that Nelson had gone to Winnipeg under instructions from the Minister in connection with his Departmental work and I did not want anything said to Nelson about this matter for fear he would send out word. I thought possibly in the course of conversation between him and the Minister the matter might be mentioned. Furthermore I want to say this: Before I put these documents into court, I made copies of the ones which I considered incriminated Nelson and sent them down to the Minister. Subsequently the Minister was in Victoria. But he never saw the copies, for when he was in Victoria and I produced the originals to him. As a result Mr. Nelson's resignation was demanded and he is now out of the service.

Witness discharged.

Mr. KYTE: Before we adjourn, I would like to ask if the Clerk has received any word from Mr. Thompson regarding Colonel Allison.

The CLERK: I called up the office of Mr. Thompson, and a lady answered. She said that Mr. Thompson was at Peterboro. I did not ask anything more about Mr. Thompson.

Mr. CARVELL: I would like to ask the Clerk if he has any word from Mr. C. E. McDonald or Mr. Woolley?

The CLERK: They are on the way here. I have a telegram.

Mr. BARNARD: They ought to be here by Monday.

Committee adjourned.

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## HOUSE OF COMMONS,

COMMITTEE ROOM No. 301,

MONDAY, April 10, 1916.

The Select Standing Committee on Public Accounts met at 11 o'clock a.m., Mr. Blain presiding.

Hon. Dr. REID: I would like to say that it has been brought to my attention that Mr. Kyte suggested that copies of the telgrams announcing the proposed return of Mr. Wesley Allison be asked for. I may say that I have a copy of the telegram, which was telephoned to me, and which I will read to the Committee. It was telephoned to me by Mr. John Thompson. It is as follows:—

SALISBURY, NORTH CAROLINA, April 3, 1916.

To JOHN THOMPSON,  
Ottawa.

Received message to-night advising that you wanted to see me. I expect to be able to go to Ottawa next week and attend all meetings desired. Please advise Dr. Reid.

ALLISON.

This message was telephoned to my secretary by Mr. Thompson. I do not know why Allison asked him to advise me, unless it was on account of statements made by me in the Public Accounts Committee and which have been given wide publicity. I said in the committee some time ago—

“As far as I am concerned I do not know where he is to be found, I have not heard any one say where he is, but it seems to me it is up to the committee to get him here, and if there is any way of getting him here I would be glad to see him brought before the committee. I am not sure what we can do to secure his attendance.”

and so on. Probably he saw that in the papers, and that is his reason for asking that I be advised.

Mr. CARVELL: I suppose it is pretty fair to assume that he will not be here until after Wednesday?

Hon. Mr. REID: I do not know anything about it, that is all the information I have had. You know it was in the newspapers, and well circulated, that we were trying to get him, and as a member of the Public Accounts Committee I suppose he wished to notify me that he would be here. I may say if I get any further information as to where he is, or when he will be here, I will advise the committee.

Mr. CARVELL: That is very satisfactory.

The committee resumed consideration of certain payments to Grant, Smith & Co., and McDonald Limited, in connection with dredging at Victoria, B.C.

The examination of Mr. G. E. Mallory was resumed.

*By Mr. Pringle, K.C.:*

Q. Mr. Mallory, where do you come from?—A. Warkworth, Ont., I was born at Warkworth, Ont.

Q. What is your profession?—A. I have been practising as an engineer.

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Q. Are you a member of the Canadian Association of Civil Engineers?—A. No, of no engineering society whatever.

Q. Are you a graduate of any of the universities?—A. No, I have a college education.

Q. Did you take a science course?—A. Not particularly.

Q. Then you have been practising as an engineer simply from the experience you have had as an engineer?—A. It might be put that way.

Q. Now, then I have had an opportunity of reading your evidence. When did you start this conspiracy to defraud the Government?—A. I never started it at all.

Q. You did not?—A. No, sir.

Q. Why, you have said in your evidence, that you were a party to putting in false estimates?—A. Under instructions from my employers.

Q. I do not care under what instructions you acted, you were a party to putting in false estimates to this Government. You knew the estimates to be wrong, and you were a party to getting them in?—A. I knew that the estimates could not be proved wrong to the Government.

Q. You knew they could not be proved wrong to the Government, but you knew in your mind that the estimates were wrong?—A. I never made out an estimate.

Q. But you assisted to get the resident engineer to make out an estimate that you knew was wrong?—A. I made out an estimate, not an estimate, but a statement, for Mr. McDonald.

Q. They were to be the basis of estimates?—A. I did not know that they would be accepted as an estimate.

Q. But you do know that they went in and that your people got the money?—A. I found out—

Q. You can say, yes or no, just as you like?—A. I found out afterwards that the estimates proved the same as the figures I had given Mr. McDonald.

Q. And that they were wrong estimates?—A. They were right, according to what Mr. McDonald told me to make up.

Q. I am not asking you that. Were they right according to your knowledge of the quantities that had been taken out?—A. They were protected by the total quantity in both rock and earth.

Q. They were protected. Then there were no false estimates put in by this engineer?—A. I would say—

Q. Maclachlan?—A. Yes, there was, these estimates put in by Maclachlan, in my opinion—

Q. But you are not prepared to swear it?—A. I say that they exceeded the total quantities of rock.

Q. They exceeded. Then the statement that you prepared for Maclachlan upon which he based his estimate, you knew exceeded the total quantities of rock?—A. I prepared that statement for Mr. McDonald.

Q. I do not care who you prepared it for. You had a knowledge that it was wrong when you prepared it?—A. I stated to Mr. McDonald at that time, and also to Maclachlan on one occasion, that there was—

Q. Mr. Mallory, why can you not answer me a straight question as to whether you had a knowledge that these estimates were wrong, at the time you handed them over to Mr. Maclachlan?—A. I thought at that time that the estimates could not be proved wrong to the Government.

Q. Then you thought they were right?—A. As far as the Government was concerned, it would have been suicide to try to prove that they were wrong.

Q. Were they, in your mind, right or wrong, not what the Government could prove?—A. In my mind, I made out the statement that Mr. McDonald had asked.

Q. Was that statement right or wrong?—A. That statement was right for what I was asked.

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Q. Now, you are taking the position that the statements you put in were right?

Mr. CARVELL: He has not said that. He says they were right as far as McDonald wanted them.

*By Mr. Pringle:*

Q. Then they were wrong as far as the Government was concerned?—A. I did not make them up for the Government.

Q. But you made them up for the engineer?—A. For Mr. McDonald.

Q. And you made them up for the purpose of getting Maclachlan to put in a wrong estimate?—A. That was probably Mr. McDonald's purpose but not mine. My purpose was to do what Mr. McDonald told me, to make up a statement for him.

Q. Then you knew, the moment you made out that statement—we start at first of page 105—you knew the quantities were wrong. You knew that there had not been more than 50 yards removed and that a statement was put in for a very much larger quantity?—A. I explained—

Q. Never mind your explanation, did you or did you not know that?

Mr. CARVELL: I object to Mr. Pringle trying to browbeat the witness.

Mr. PRINGLE, K.C.: I am not trying to browbeat the witness. He must answer the question yes, or no. If he wants to make an explanation afterwards he can do so.

*By Mr. Pringle, K.C.:*

Q. You say you prepared a statement for Mr. Maclachlan?—A. I said I prepared a statement for Mr. McDonald.

Q. And that statement was handed to Maclachlan?—A. No. Mr. McDonald took it out of my office but I later saw it in Mr. Maclachlan's office.

Q. You later saw it in Mr. Maclachlan's office?—A. Yes, sir.

Q. Then that statement was for the purpose of assisting the contractors?—A. Mr. McDonald took the statement and how he used it I don't know.

Q. Didn't you answer the other day and say that the statement was for the purpose of assisting the contractors?—A. The statement was made out to assist the contractors because I was employed to assist them.

Q. What do you say?—A. I say I was in his employ.

Q. Now, that statement I am going to pass over for the reason that you have told the honourable member for Carleton that while you assisted in its preparation and got an excessive quantity in it, you looked upon it as a sort of forced loan, that it was usual at the first to give an advance in quantity. That is the way it was done in the statement of June, wasn't it?—A. That was a customary proceeding.

Q. You say that was a customary proceeding?—A. Yes.

Q. Well, we will pass over that and come down to where you first considered things were going wrong. In July you came to the conclusion that things were going wrong, didn't you? (No answer).

Q. Did you or did you not?—A. I thought that the contractors were going with Mr. Maclachlan in such a shape that it would lead him into trouble.

Q. That they might lead him into trouble?—A. Yes, sir.

Q. How far were they going wrong?—A. When they were using their influence with him.

Q. You never heard any conversation between McDonald and Maclachlan?—A. Yes, sir.

Q. Where?—A. In the office of McDonald.

Q. In the office of McDonald?—A. Yes.

Q. When was that conversation?—A. If I remember correctly, on the 31st day of July.

Q. In what year was the conversation?—A. 1915.

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Q. Now, you say that in July you saw things going wrong? This is the question which was put to you and this is your answer to is (Reads):

“Q. When did you first begin to think things were going wrong?—A. Well, in so far as Mr. Maclachlan’s opinion of the yardage was concerned, it would be in July.

Q. In July?—A. Yes.”

Q. When it came to the August estimate you prepared that statement for Mr. Maclachlan?—A. I did not.

Q. For whom did you prepare it?—A. I prepared the statement for Mr. McDonald.

Q. Well, you prepared it for Mr. McDonald and it was given to Mr. Maclachlan. We will put it that way.—A. Well, the way he put it to me, Mr. McDonald put it to me, was, make up a statement similar to last month, and I had an idea what the last month meant.

Q. Now, sir, you were examined for discovery in certain legal proceedings?—A. Yes, sir.

Q. Here is what you said on that occasion. (Reads)

“I made out an estimate in McDonald’s office and gave it to Maclachlan, and in nearly every instance he copied it exactly on his departmental sheet and sent it to Ottawa.”

—A. I believe I was instructed to give Mr. Maclachlan the estimate I had made up in the office of Mr. McDonald on the 31st of July.

Q. Is, or is it not true, that in nearly every instance you handed Mr. Maclachlan this statement and he simply copied your statement and sent it to Ottawa?—A. It turned out later to be true that the quantities given were nearly agreeing with what I had made out.

Q. Why can’t you answer me a straight question?—A. Because I am not a party to this business.

Q. You are not a party to it?—A. No, sir.

Q. Why can you not answer me a straight question when I ask you if what you said when being examined for discovery is true or not. (Reads)

“I made out an estimate in McDonald’s office and gave it to Maclachlan and in nearly every instance he copied it exactly on his departmental sheet and sent it to Ottawa.”

Now is that true or is it not? (No answer.)

Q. That is a simple question calling for an answer of yes or no.—A. Just read it again please.

Q. Here is the question (reads).

“Q. Did the subcontractors render their estimates to Grant, Smith & Co.?

—A. No. I made out an estimate in McDonald’s office and gave it to Maclachlan, and in nearly every instance he copied it on his departmental sheet and sent it to Ottawa.”

—A. I think that is as nearly correct as can be.

Q. That is nearly correct?—A. Yes.

Q. Now, in nearly every instance you made up the statement?—A. I made up the statement as it was, based—

Q. And you handed these statements to Maclachlan?—A. No, I did not mean it in that light, not every time. There was once or twice I did not hand it to Maclachlan. The first month Mr. McDonald took it out of the office.

Q. And if Maclachlan copied your statements and Maclachlan’s statements are wrong your statements would be wrong.—A. My statement was not made up in quan-

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tities on the work, it was made up in quantities in dollars and cents that McDonald had given me.

Q. Do we understand that you never made up any quantities?—A. I made up quantities to equal the quantity of dollars and cents that were put before me for Mr. McDonald.

Q. Then you did make up quantities and you did make up a value?—A. For Mr. McDonald.

Q. Which were handed to Maclachlan?—A. Well, if I was directed later to hand it to Maclachlan I did so.

Q. If both statements to Mr. Maclachlan were wrong then his estimates, if your statements were the foundation for them were wrong also?—A. No, my statements were not the foundation of it, because he had no business to pay any attention to me.

Q. But you say they were exact copies?—A. That was his fault, not mine.

Mr. CARVELL: He did not say they were exact copies.

Mr. PRINGLE: "Copied it exactly on his departmental sheet."

Mr. CARVELL: Read the whole statement.

Mr. PRINGLE: "In nearly every instance he copied it exactly on his departmental sheet."

*By Mr. Pringle:*

Q. Now then, if Mr. Maclachlan in nearly every instance copied your statement exactly, if his estimate was wrong your statement was wrong.—A. My statement was exactly what Mr. C. E. McDonald asked for.

Q. I am not asking you that.—A. My statement had nothing to do with the estimate.

Q. But you say it was a copy of your statement?—A. I cannot help that, I did not see him copy it.

Q. Was Mr. Maclachlan's estimate wrong?—A. I say he has overestimated the work.

Q. Then your statement, which you gave to Maclachlan, and which was copied exactly on his departmental sheets, must have been wrong?—A. That statement was not based on any yardage basis in connection with the work from an engineering standpoint.

Q. But you say it was based on yardage and money?—A. Not from an engineering standpoint; it was not based on any estimate made from the plans.

Q. Do you know anything about these quantities? Were you ever on the work?—A. Yes.

Q. Do you know anything about the quantities?—A. I figured from the plan in the first place.

Q. But do you know anything about the quantities since that time?—A. I know from the estimates I have seen them.

Q. Did you make any actual measurement of these quantities?—A. No, and, I might say, neither did the resident engineer.

Q. Well we will come to the resident engineer, but you yourself never made any measurement of these quantities and, consequently cannot swear to them?—A. For the first two months I kept pretty good track of the scow loads and would have a fairly good idea.

Q. But this was not scow measurement, but place measurement.—A. Well, scow measurements give a pretty good idea.

Q. But you have no experience, you know nothing about dredging?—A. I have said this was my first experience in dredging.

Q. You have already stated, I have it here, that you knew nothing whatever with regard to dredging. Here is your own statement that when Mr. Valiquet got



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there you told him you had no experience in dredging, you had some on construction work where they used steam shovels, but you had no experience of dredging.—A. When I made that statement I had been on the *Lee*.

Q. You have never made any measurements in regard to the quantities excavated?—A. No.

Q. So that if there has been excess in excavation it is only a surmise on your part as to the quantity?—A. I have never made any statement that there was yet any excess in excavation.

Q. You have never made any statement that there was any rock excavation?—A. I said there was over-classification.

Q. Then as far as over-classification is concerned it is a pure surmise on your part?—A. No, it is not.

Q. But you never made any measurements?—A. Well, I can take as my authority the engineers who have given evidence.

Q. Then you are basing your statement in regard to over-classification on the evidence of the other engineers?—A. Not exactly.

Q. Then what are you basing it on?—A. The *Lee* was on the work for a couple of months or two and a half months.

Q. The *Lee* was a good dredge?—A. I think she was very fair of her kind.

Q. An ordinary dredge?—A. No, not an ordinary dredge, a clamshell.

Q. But as far as you are personally concerned you never made any measurements with regard to quantities?—A. I kept track of the scow measurements.

Q. But that is all, you never made any other measurements?—A. No.

Q. Then in regard to classification, you say there was over-classification in rock and you base your opinion on what the other engineers have said?—A. Not entirely.

Q. To a large extent?—A. Not at all, as far as the first two or three months are concerned.

Q. What about the first two or three months? You are the one who put in the statement?—A. I made out the statement for Mr. C. E. McDonald.

Q. Do you not know that every day's work was reported? Have you ever seen one of these sheets?—A. I do not think so; I kept away from Maclachlan's office, it was not my business to be there.

Q. Can you now take one of these sheets and compute the quantities of rock and earth?—A. I do not know whose sheet this is.

Q. I tell you this (presenting document to witness) is Mr. Maclachlan's sheet of daily work, as it progresses from day to day.—A. I would not particularly accept his daily progress sheets from day to day, I would take it with the standard plan and figure it out.

Q. Do they not have to be drilling there, and does it not show where they struck rock and where they got earth?—A. The daily reports as far as rock is concerned, would not.

Q. You are not able to figure it out?—A. I would not depend upon that, I would not accept that.

Q. Can you figure it out from this?—A. I could look it over and I think probably I could.

Q. That would take too much time.

Mr. CARVELL: Why do you not produce the daily reports?

Mr. PRINGLE: I will produce them, we have them here.

*By Mr. Pringle:*

Q. Now then, you say in August everything was going all wrong?—A. I do not think so.

Q. You did not?—A. No.

Q. You did not? Well, you said it was all crooked.—A. I said it was out of reason.

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Q. "Out of reason," is that as strong as you would put it?—A. I would not put it any stronger, because even in August if I had brought it to the attention of the Government an investigation would have been held and I would have been wound up as a political football.

*By Mr. Carvell:*

Q. You came pretty nearly ending that way in October?—A. Pretty close.

*By Mr. Pringle:*

Q. Do you know a man named James Harvey of Vancouver or Victoria?—A. I do not think so.

Q. Do you know Fraser or McDonald?—A. I do not think so, if I were to see the men I might know them, but I do not know the names.

Q. You did not tell these gentlemen that you were here fighting the British Columbia members, that it was purely political and you were getting paid for it?—A. If any statement of that kind was made it is a deliberate falsehood.

Q. You are getting paid?—A. Four dollars a day.

Q. You are getting more than that?—A. Not one cent, to my knowledge.

Q. Did you not get something from the Liberal Executive in Victoria, did you not say that you were getting well looked after?—A. Only as far as Mr. Hall was my lawyer.

Q. Did not the Liberal Executive in Victoria provide a lawyer for you?—A. As far as I know the Liberals did not do one single thing for me except that Mr. Hall is a Liberal, and he acted as my counsel, he just happened to be a Liberal.

Q. Now then, I want to get along, about this dredge, the dredge *Puget Sound* was a good dredge?—A. I would say so.

Q. Almost equal to the *Ajax*?—A. From my conversation with the officers of the dredge it was a better one.

Q. It was a better one?—A. Certainly.

Q. Then you, as an engineer interpreted these specifications, that any dredging that could not be done with an ordinary dredge would have to be classified as rock?—A. My opinion of an ordinary dredge might differ from—

Q. We will come to the ordinary dredge part of it. But any material that could not be dredged with an ordinary dredge would have to be classified as rock. Did you ever read this specification?—A. Yes.

Q. Isn't that your interpretation of the specification, don't you agree with Mr. Valiquet and the other engineers on that?—A. I agree in so far as—

Q. Let me read that specification.

Mr. CARVELL: Let the witness answer the question.

*By Mr. Carvell:*

Q. You agree, what?—A. If the dredge was an ordinary dredge, according to my views of an ordinary dredge, the material could be dug.

*By Mr. Pringle:*

Q. I am not asking you that question. I am asking about the interpretation of the specification, the interpretation of section 23, as an engineer, which reads as follows:—"The materials to be excavated consist of earth and rock which shall be removed separately by two operations of ordinary dredging and blasting." Is that your interpretation? It was earth and rock, and what could not be removed by an ordinary dredge, then it was to be classified as rock.—A. I understand that and approve of it, subject to my impression of an ordinary dredge.

Q. The *Puget Sound* would meet the requirements of that specification?—A. Yes.

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Q. And any work the *Puget Sound* could not do should be classified as rock?  
—A. That is providing the contract was made, and the *Puget Sound* could do it.

Q. We are not asking about the particular work. I asked, if the *Puget Sound* is not able to remove it, it should be classified as rock?—A. Yes.

Q. Now, I want to come to this. You know Grant, Smith & Co., and Macdonell?  
—A. Yes.

Q. They have nothing whatever to do with this matter in any shape or form?—  
A. They were, and did, as far as to protect themselves.

Q. Didn't you feel that this would all come out at some time?—A. I didn't think that after the August estimate had been accepted at Ottawa it could be carried on very much further, and it didn't.

Q. Now then, you laid quiet until the 22nd October?—A. I knew that the department had been notified, and taken no action.

Q. Yes. But you knew this thing could not go on very much further, and you knew Grant, Smith and Macdonell were paying their good money to the subcontractors?—A. No, sir, they were paying over the money they got from the Government.

Q. And if this work was subsequently deducted, Grant Smith & Co. would be the losers, that is correct, isn't it?—A. Well, I didn't think much about Grant, Smith & Co. at that time.

Q. Didn't you think it was your duty to notify them and protect them, and that you were getting them in a hole?—A. I was not getting anybody in a hole.

Q. When you saw the Government were paying excessive amounts to the contractors, wasn't that getting Grant, Smith & Co., in a hole? They never knew about this matter?—A. I say they did.

Q. You tell us in a breath they didn't know anything about it—A. I didn't make that statement.

Q. You tell us here you went to Jameson in October to talk about it, and they were surprised about it.

Mr. CARVELL: He did not say that.

The WITNESS: Mr. Jameson told me he knew there was not more than five thousand yards in that work.

By Mr. Pringle:

Q. When this contract was being entered into with Mr. Woolley and some others, you were then acting for McDonald, and they were trying to induce Mr. Woolley to go into this contract for the drilling. Didn't you say there was 47,000 yards of rock there?—A. Not to my knowledge, never remember such a thing.

Q. Now, about this conversation with Mr. Jameson, I do not interpret it the way you do. By the way, when did you first steal these documents out of your employer's office?—A. I did not steal them.

Q. When did you take them?—A. I took them out the day that Mr. McDonald had these gentlemen interview me in the office.

Q. Did you have any authority to take them?—A. As a citizen of the country, I had every authority.

Q. And you do not call that theft, but as a public service you stole the documents?  
—A. The case has been in the courts—

Q. They were not in the courts at that time?—A. They were put in to prove the case later.

Q. You took them without authority?—A. Authority as a subject of the country.

Q. As a subject of the country?—A. Yes.

Mr. CARVELL: It seems to have produced results.

Mr. PRINGLE: I do not know that it has myself.

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*By Mr. Pringle:*

Q. It was the 18th day of September you first spoke to Mr. Jameson. That is according to your evidence. Look up this very valuable diary of yours, and probably you can refresh your memory that the 18th day of September was the first intimation that Jameson had from you about this work?—A. I would like to read the diary. (Diary handed to witness and consulted).

Q. That is the date you first spoke to Jameson?—A. We were in a general conversation when Mr. Jameson mentioned the thing to me I think.

Q. Having a general conversation?—A. Yes.

Q. And you say Mr. Jameson thought these men had nerve in trying to pull off a deal like this at this time?—A. Yes.

Q. Then you must have told Mr. Jameson they were trying to pull off a deal?—A. I think we were talking about investigations.

Q. I see. Then you were—A. Not with reference to Mr. McDonald's work, but another contract; but it wound up that way.

Q. I may be in error, but I have read your evidence carefully, that it was not until the 22nd October that you made up your mind to quarrel with your employers and come out and publish your knowledge?—A. If I made the date the 22nd, I made a mistake.

Q. When was it you quarrelled with your employers?—A. A week or ten days before this.

Mr. CARVELL: That is the evidence.

*By Mr. Pringle:*

Q. Up to the time you quarrelled with your employers you never intended to intimate there was any wrong doing?—A. I intimated to Mr. McDonald, Mr. Nelson and Mr. Maclachlan—to Maclachlan that I thought he should be careful.

Q. Did not Mr. Maclachlan have a number of inspectors on that work who were watching it daily?—A. I believe so.

Q. And didn't he have in his office men who were computing these quantities every day?—A. I don't know.

Q. You don't know about that?—A. No.

Q. Do you mean to say that all these men from the inspectors to Maclachlan are crooked?—A. When the August estimate was made out, or being made out, by Mr. Maclachlan, he made a statement, or he said out loud, he didn't know how he would change the reports and he said "I have got it."

Q. Who said that?—A. Mr. Maclachlan.

Q. He said he had got it?—A. Yes.

Q. That was the August estimate?—A. I think it was at the end of August. I am not quite sure but I think so.

Q. Then was he going to change that report for the benefit of your people?—A. He was not talking to me he was sitting at his desk and said it out loud.

Q. Well, do you know what his ideas were?—A. He was thinking over the estimates at the time.

Q. And did you think he was going to change that for the benefit of your people?—A. I didn't know what he was going to do. That is the statement he made, or not exactly a statement.

Q. Then you were willing to do anything up to a certain time no matter how the Government came out, to help your employers?—A. I say now that the matter came to the attention of the authorities at the only time, or the nearest possible time, to getting them to take any notice of it whatever.

Q. I see. But up to that time you were willing to do anything to help your employers?—A. I don't say that I did anything in connection with these little slips I made out, willingly.

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Q. Willingly? You did it under pressure?—A. I did it under instructions.

Q. Under instructions, but you knew the statements were wrong?—A. I knew the statements were correct exactly with what Mr. McDonald told me to make up in dollars and cents.

Q. You knew they were not correct?—A. They were correct according to what I was asked to do.

Q. What you were asked to do?—A. Yes.

Q. Do you think you stopped just at the right time—A. I think I stopped about the right time.

Q. About the right time?—A. Yes, sir.

Q. Don't you think it would have been better when you first got on to this distasteful work?—A. I think it would have been biting my nose off to spite my face, that's all.

Q. That is your reason? All the mischief was done, was it?—A. No, sir.

Q. The mischief was done, was it not?—A. No, sir.

Q. Why only the other day you were asked the question (Reads) "That was when all the mischief was done." You said "All done."—A. Up to that point.

Q. But up to that point the mischief had been done by these estimates which had gone in up to September showing this excessive quantity of rock.—A. The September estimate was not passed.

Q. It was not passed at that time?—A. No.

Q. What was done was to put in three or four thousand yards more than was in the actual contract at that time?—A. Well, if there was not some allowance made for the figures to run a little over what I thought would be the estimate I would have been—nobody would have paid any attention to me. I would have been simply discharged and the work would have gone on merrily just the same.

Q. Do you not think McDonald has been a good friend of yours?—A. I have nothing to say against McDonald particularly.

Q. He advanced you money to get food when you were out of employment?—A. I did that for him at one time.

Q. That was quite brotherly. At any rate, he did that for you?—A. Yes.

Q. He advanced you money?—A. Possibly \$100.

Q. Possibly it was \$150?—A. No, I don't think so.

Q. Possibly it was \$150 he advanced and he never deducted it from your salary?—A. Well, if you put it at \$150, the first \$50 he owed me, and he told me to stay in Victoria. That was one of the reasons that assisted in events. He said he wanted me to stay there.

Q. That way you made up your estimate was this: You took the total quantity and divided it into the number of months you thought it would take to do the work, and working on instructions you had from Mr. McDonald, you made your estimate in such a shape and then doubled it? That is the way you did it under McDonald's instructions?—A. I had a certain number of dollars and cents to make out a statement to and I made out the statement according to the dollars and cents.

Q. According to the dollars and cents?—A. Yes.

Q. And then you doubled it?—A. No, I didn't, it came up to that.

Q. I see, it came up to that. Now, you never made an estimate at all for the engineer, did you?—A. No estimate, sir.

Q. You never made an estimate at all for the engineer, and when you made this incorrect statement it was to reach the engineer?—A. I didn't make a statement for the engineer but for McDonald.

Q. Then you made a statement that was to reach the engineer?—A. If it reached him from myself I was instructed to take this thing to Mr. MacLachlan.

Q. And you took it to him?—A. Yes.

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Q. You made out the classification, did you not?—A. My classification was not known to him month by month.

Q. But you made out a classification?—A. When told to make up a certain amount of yardage to equal dollars and cents.

Q. Quite so, and you made a yardage of earth and a yardage of rock?—A. Yes, sir.

Q. When you put in, we won't call it an estimate, but a classification of so many yards of earth and so many yards of rock, which was equal to so many dollars, you put it in at the request of McDonald knowing it to be untrue?—A. I didn't. I put it—I gave it to Mr. McDonald, I made it out for him at his request and said "There you are".

Q. Was it true or untrue?—A. It was absolutely true to the point of making it out to the dollars and cents McDonald asked.

Q. Was it true as to the classification and the quantity of the material?—A. I have nothing to do with the classification of the work.

Q. But you made up the classification?—A. I made up the classification for Mr. McDonald to an equivalent of dollars and cents.

Q. And where did you get the information for this classification, out of your head?—A. Both Mr. McDonald and I knew the approximate number of yards in the work.

Mr. CARVELL: He got it off the multiplication table.

Mr. PRINGLE, K.C.: I think so too. I want him to tell us that honestly instead of hedging.

*By Mr. Pringle, K.C.:*

Q. Now then, where did you get the classification?—A. I was instructed to make the classification with the idea in view that 60,000 yards was the yardage to work on.

Q. And to realize so much money?—A. To make it up to a certain number of dollars and cents I had been given as a basis.

Q. Now, this is the way you made it out: You made the classification to get a certain amount of money first of all for your expenses and then doubled up that amount. So you made up a classification slip with rock in it to cover the amount to McDonald, is that right?—A. I made up the statement to cover the amount of money he wanted.

Q. Say yes or no, why do you hedge?

Mr. CARVELL: He has said so.

*By Mr. Pringle:*

Q. You were asked a question the other day and you said you had to get first of all a certain amount of money for your expenses and then doubled that amount, so you made up a classification slip with rock in it to cover the amount for McDonald. Your answer was "Yes." Now, are you going to change that answer?—A. No, sir, that is the answer I have just given.

Q. When you did make up the classification and put that quantity of rock in it you knew it to be untrue?—A. It was not untrue. It came up to the dollars and cents McDonald asked for. That is what I say there.

Q. But it did not come out of the excavation?—A. It did not have anything to do with the excavation, the statement made by McDonald.

Q. How did you make up this classification for so many yards of earth and so many yards of rock?—A. I was told to make—

Q. Where did it come out of?—A. It was to come out of my head.

Q. Out of your head?—A. Yes.

Q. And MacLachlan was to put it in as coming out of the Harbour contract?—A. I did not know MacLachlan was to put it in.

Q. Oh yes, you did. And he did put it in?—A. I did not know who he was getting it for.

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Q. But you saw afterwards that he did put it in and you were a party to it?—  
A. No, I was not.

Q. Were you not a party to it? You make that classification for Maclachlan?—  
A. I did not make it for Maclachlan.

Q. However, you make a classification which did reach McDonald; you made it so that it would reach Maclachlan?—A. I made a classification for McDonald, I made a statement of dollars and cents.

Q. Now then you had quite a nice meeting on the 22nd of October when you were met by a lawyer and two detectives. Do you remember that? I should not think you would very soon forget it?—A. I do not think I will.

Q. And you made an affidavit?—A. What?

Q. You made a declaration?—A. No, I did not.

Q. Well, you signed a statement?—A. I did, I had to.

Q. Well, we will put it that way, you had to. Then these two gentlemen had two affidavits made which set out certain frauds that you were connected with in connection with the Canadian Northern, and they read these affidavits to you and you said, "I'm caught."—A. If anybody says that it is a falsehood.

Q. Well, they will say it?—A. That is what I expect.

Q. Did they read the two affidavits to you?—A. No.

Q. Did they read neither of the affidavits to you?—A. No.

Q. Did they tell you in regard to the Canadian Northern matter?—A. Yes. They said these are—

Q. Did you say to them, "I'm caught"?—A. No, sir, I said directly the opposite.

*By Hon. Mr. Reid:*

Q. What did you say?—A. I told them they were fakes and forgeries, and I would not stand for them.

*By Mr. Pringle, K.C.:*

Q. Then you did have them read to you?—A. I read them.

Q. And you said they were fakes and forgeries?—A. Yes.

Q. However, you wanted to get possession of them?—A. I should think I did.

Q. And you said, "Give me those affidavits and I will sign the statement."—A. After I had been tossed around considerably, yes.

Q. We will come to the tossing around, that is a little pipe dream. You wanted to get the affidavits and you would give them the statement.—A. I didn't give it, I was forced to give it.

Q. Well, we will put it that way. And now this statement you say—

Mr. CARVELL: Have you the statement there?

Mr. PRINGLE: I have not the original. Mr. McDonald's trunk is probably coming over the American roads and there is an element of delay, but we expect it here this afternoon.

Mr. CARVELL: It is not fair to read a portion of the statement and question this witness upon it, I think it should be put in.

Mr. PRINGLE: Oh, yes, I will put it in if, after the witness has read it, he is satisfied it is a copy.

*By Mr. Pringle:*

Q. Will you read this over and see whether it is a copy of the statement you signed? (Document handed to witness, who reads it.)

Q. What do you say, is that your statement?—A. I will read it over again. (Reads.)

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Q. If you will rather wait and see the original I will postpone the cross-examination until the original comes?—A. I think that is it, I have read it as closely as I can.

Q. Well, we will see what you say. (Reads):

"Dominion of Canada,  
Province of British Columbia,  
City of Victoria,  
to Wit:

In the matter of sub-Contractor Charles  
E. McDonald, with Grant, Smith & McDonald,  
original contractors with Canadian Govern-  
ment.

I, G. E. Mallory, of the City of Victoria, in the Province of British Columbia, do solemnly declare that for more than five months I have been bookkeeper for Charles E. McDonald, who is a sub-contractor under contract with Grant Smith and McDonald, who are original contractors with the Canadian Government in the matter of excavations for piers for the Government wharf at Victoria, B.C., Outer harbour; that as said bookkeeper of the said Charles E. McDonald, I have been and am now conversant fully with the conduct of said contract, sub-contract and work thereon; that the dealings of the said Charles E. McDonald with said sub-contract and work thereunder, and with the Canadian Government, its officers and agents have been honest and fair; that the accounts and estimates presented for payment have been for work actually done and performed and have been in no wise unfair, exorbitant or excessive.

And I further solemnly declare that there is and can be no truth in a statement, or the statement, that the said Charles E. McDonald is or has been in league with or had any understanding with the Canadian Government Engineer or other agent of the Canadian Government, or any person or persons whomsoever whereby false estimates exceeding the yardage or work actually done were, have been, or are furnished to the Canadian Government by means of which it is or has been sought to collect more than has been or is actually due the said Charles E. McDonald, by him or by any person for him, or in his behalf thereunto instructed or authorized.

"Further declarant sayeth not.

And I make this solemn declaration, conscientiously believing it to be true and knowing it to be of the same force and effect as if made under oath and by virtue of the Canada Evidence Act, Revised Statutes of Canada, 1906, Chap. 145, Sec. 39.

(Signed) G. E. MALLORY.

Declared before me at the city of Victoria in the province of British Columbia, this                      day of October, A.D. 1915.

Witness: (Sgd.) ED C. HYDE,  
A. G. ADAMSON."

Mr. KYTE: Who is the commissioner before whom that statement was declared?

Mr. PRINGLE: A. G. Adamson.

Mr. KYTE: Where is it dated?

Mr. PRINGLE: At Victoria.

Mr. KYTE: What is the date?

Mr. PRINGLE: The date is left blank. (Reads) "Declared before me at the city of Victoria in the province of British Columbia this                      day of October, A.D. 1915."

Mr. KYTE: It may not have been a declaration at all, judging from this copy.  
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Mr. PRINGLE: There seem to have been two witnesses and there does not seem to have been a commissioner—I am not quite sure that it was declared, but it may have been declared before a commissioner, because I do not know who these men were.

Mr. CARVELL: In any case the witness says it was obtained from him by duress, and he has given a pretty accurate statement of its contents.

*By Mr. Pringle:*

Q. Now, then, Mr. Mallory, when you signed this they handed you over these documents that they had?—A. Yes.

Q. And you destroyed them?—A. I did not.

Q. What did you do with them?—A. They were taken away from me.

Q. “They were taken away from me”?—A. Yes.

Q. Well, I am told you were very anxious to get the documents, that you got them and destroyed them right in their presence.

Mr. CARVELL: That is hardly credible in view of the fact that this witness within fifteen minutes went to the police and then to the members of Parliament in an effort to get these men arrested.

Mr. PRINGLE: I am told that these men sat down carefully and quietly to discuss the situation in Mr. McDonald’s office, that Mr. McDonald had been advised that some one was taking papers out of his safe and circulating stories which were absolutely untrue, that he employed a lawyer and a detective and that this witness when faced by them threw up the sponge and confessed it.

Mr. CARVELL: This is not the time to discuss that question, but the facts are as the witness relates them that he went to the police court and failing to get satisfaction there he went to his member, and this is corroborated by Mr. Green and Mr. Barnard.

*By Mr. Pringle:*

Q. Did you take these papers—I won’t say steal them—out of McDonald’s safe prior to your signing these documents?—A. They were in McDonald’s office the morning of the occurrence.

Q. You took them out immediately after?—A. I walked out with them at that time.

Q. Did McDonald know that you had them?—A. I don’t think so.

Q. How did you get into his safe after you signed this document to get those papers?—A. I do not remember getting into his safe.

Q. Where did you get the papers?—A. In the office.

Q. Had you got the papers prior to your signing this document or subsequently?—A. I took them afterwards.

Q. Where were they?—A. In his office.

Q. In his office. Then, you were left in his office after you had signed this document?—A. Left, not for—

Q. Long enough to get these papers?—A. Five or ten minutes.

Q. Where you left there alone?—A. No, sir.

Q. Who was with you?—A. The same crowd.

Q. How did you get these papers?—A. Took them.

Q. Did they see you taking them?—A. Yes.

Q. Didn’t they ask you to hand them back?—A. They did not know what they were.

Q. Did you ever think of sorting them out?—A. They were in the drawer.

Q. Did you ever sort them in the drawer so you could take them away at any time?—A. No, I had been looking over them, and had just thrown them in the drawer.

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Q. And you thought Mr. McDonald's receipt, or Nelson's receipt, would be a good document to have?—A. Well, it was among the papers when I picked them up.

Q. You knew that McDonald had made a loan to Nelson, didn't you?—A. No, sir.

Q. And had a promissory note?—A. No, sir.

Q. Did you ever see this note, in the nature of a security he had for this \$2,000?—A. He never had a note in that vault, not while I was there.

Q. Did you search through the vault?—A. He did not know what was in the vault, and I did.

Mr. CARVELL: Paper won't refuse ink.

Mr. PRINGLE: I don't think you are making that accusation against McDonald.

*By Mr. Pringle:*

Q. Did you ever see that note dated Vancouver, B.C., August 14 (exhibiting)?—A. No, sir.

Q. Never saw it?—A. No, sir.

Q. Made in favour of Mr. McDonald.

Mr. BENNETT (Simcoe): What year?

Mr. PRINGLE: 1915.

Mr. CARVELL: An easy proposition.

Mr. PRINGLE: Oh, well, Mr. Carvell, I do not see why you are insinuating. I have known Mr. McDonald for many years, he is an old Glengarian.

*By Mr. Pringle:*

Q. Now, you tell me you did not take them out until after the 22nd October?—A. I took them on the 22nd.

Q. When you were leaving there, after having torn them up, you did tear them up which reflected on you, wasn't the last thing you said: I am going to put the whole thing in the papers?—A. No, sir.

Q. Or that you were going to give it to the Liberal press?—A. No, sir.

Q. If Mr. McDonald says that he will be saying what is untrue?—A. Yes, sir.

Q. Did you have any talk then about your accounts?—A. While those men were there?

Q. Yes.—A. No, sir.

Q. Was the talk before these men were there?—A. There was very little talk that morning about accounts of any description.

Q. When was the talk about accounts?—A. About ten days previous.

Q. You wanted a quarter interest in the contract?—A. No.

Q. What did you want, an increase of salary?—A. No, sir.

Q. What did you want?—A. McDonald promised me \$150 a month when I went with him.

Q. When he did not give you that, you told him—A. Just give me my cheque and I will get out.

Q. There was no cheque coming to you, you were still owing him a hundred dollars?—A. He took that up later, at the time I did not think of it and neither did he.

Q. What was your cheque?—A. It would be up until the 14th or 15th.

Q. A month's pay?—A. Half a month.

Q. Then he did not owe you anything?—A. If he was going to give me what he promised, and that month's salary, of course he owed me something.

Q. How much did he owe you? You commenced on the 1st June, and this was in October.—A. Half of \$125 would be about \$65, about a hundred dollars.

Q. That would be about offset by what you owed?

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Mr. CARVELL: In addition to that.

The WITNESS: I did not ask him for a cheque for \$150 a month to get out.

*By Mr. Pringle:*

Q. You commenced on the 1st June? The 1st July, you say, there would be \$25, August 1st, \$50, 1st September, \$75, 1st October, \$100. So it would just about offset what you owed?—A. I had some salary for the month.

Q. For the half month?—A. Yes, and also for incidental expenses.

Q. Now, do you mean to tell us that you did not conspire with these people to defraud the Government?—A. That is what I mean.

Q. You never entered into any conspiracy with McDonald or anybody else to defraud the Government?—A. Not to the best of my knowledge.

Q. And that any statements that you gave in regard to quantities were given entirely out of your head, and with no knowledge of the actual quantities?—A. Not from what yards of rock were on that work. But it did not affect the statement I made for McDonald.

Q. At the time you made these statements you had no actual knowledge of the actual quantities removed? You were making the statement simply out of your head, not from any knowledge of the quantities?—A. I made no reference to classified quantities on the work when I was making them out.

Q. You classified earth and rock at certain prices?—A. With a statement of dollars and cents as a basis.

Q. Quite so. You made a classification of rock and earth, and that classification was made entirely out of your head?—A. I made up the classification out of my head, figuring it up from the dollars and cents.

Q. You never had any talk with Maclachlan about putting in wrong quantities?—A. I mentioned to Maclachlan that he should be careful.

Q. That is the only talk you ever had with him? You never suggested to Maclachlan to put in wrong quantities either directly or in any way?—A. No, sir, not to the best of my knowledge.

Q. Now, then, did Maclachlan receive a dollar in any shape, manner or form from these contractors, to your knowledge?—A. Direct knowledge of seeing the transaction, I do not know.

Q. Are you going to now insinuate that he did?—A. I was instructed by Mr. McDonald on several occasions that he——

Q. Have you not already sworn here that you know nothing against Mr. Maclachlan?—A. No, sir.

Q. Well, I think you have. You never saw a dollar paid to Maclachlan? You do not know of a dollar that was ever paid to him of your own knowledge?—A. Only from Mr. McDonald——

Q. Never mind, I am asking you from your own knowledge?—A. I never saw it.

Q. You never saw it?—A. No sir.

Q. Then anything you did with regard to excessive quantities was done for McDonald?—A. It was on instructions from Mr. McDonald.

Q. It was instructions from Mr. McDonald? Now then, you wrote this letter on November 9, when you were getting mad: "Having become aware of the fact that grafting on an enormous scale was taking place". When did you become aware of that fact?—A. On an enormous scale? I mean that I understood at that time that the estimate was to be boosted to 30,000 yards in solid rock.

Q. When did you become aware of this grafting on an enormous scale, subsequent to the 22nd of October when you left McDonald employ or before?—A. I was leaving Mr. McDonald's service on the 15th of the month.

Q. The 15th of the month?—A. I think it was the 15th.

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Q. When was it you became aware of this grafting on an enormous scale?—A. I objected to the August estimate. Rather, I did not object to it but thought it was not right.

Q. Now let us see if we can pin you down to something. In August you were satisfied there was grafting?—A. In August I was satisfied that the estimate had about reached the total yardage that could be got out of that work for solid rock.

Q. Then anything after August was grafting?—A. If an estimate was rendered after August.

Q. Now knowing excessive quantities were being charged for—A. I did not know until the Government had accepted it.

Q. You knew before you left McDonald's employment?—A. I don't think I knew that the estimate had been sent in, I don't remember.

Q. Then when did you learn of this enormous grafting?—A. Any rock yardage estimate that would be turned in after August would naturally be excessive, in my opinion.

Q. Let us get down to the excess in some shape. When did you find this enormous grafting?—A. When I understood from Mr. Maclachlan, or through Mr. Maclachlan, that the total yardage was to be 30,000 yards solid rock.

Q. When did you find that out?—A. I don't remember the date.

Mr. CARVELL (Handing diary to witness and pointing to a date): See if you cannot find something there to assist your memory.

The WITNESS (After consulting diary): This is the 26th September.

*By Mr. Pringle, K.C.:*

Q. Was that the time you began to be suspicious of the grafting? Now, turn back to the 2nd September.—A. Yes, sir.

Q. You prepared a statement for Mr. Maclachlan for the August estimate, didn't you?—A. I made up a statement for Mr. McDonald on the 2nd September.

Q. How much rock did you put in that statement?—A. I don't remember.

Q. Was it not the same quantity Mr. Maclachlan put in his estimate?—A. I cannot say exactly.

Q. You already told us that your statements were copied exactly.—A. No.

Q. Where did you give him that statement, the one of the September 2nd?—A. In his office on Dallas Road.

Q. Did he prepare his estimate there and then in your presence?—A. No.

Q. It was not so prepared?—A. No.

Q. That statement was very large, wasn't it, that you gave him on the 2nd September?—A. I don't know.

Q. You talked over how the figures could be juggled around, did you not? I want to see if you were in this juggling business, if there was any juggling?—A. On what day?

Q. On the 2nd September.—A. I said to Mr. Maclachlan that I thought he should be careful.

Q. Yes, but here is what you said. There was a question as to how the rock should be accounted for and "We talked over how the figures should be juggled round." What do you mean by "juggling round"?—A. I had a slip. Mr. Maclachlan said, "I think we will have to fix it this way, then we will try that."

Q. Did he discuss with you how you could juggle the figures round so you could get the money?—A. I had nothing to do with getting any money from anybody.

Q. What do you mean when you use the word "juggling"?—A. That he was wondering how to juggle the figures around to suit him.

Q. "So we talked over how the figures should be juggled round." Were you not talking of how you and he could juggle the figures round?—A. Well. I took the statement in the office. He just simply talked over the statement with Mr. —.

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Q. You were asked about this previously, as to whether you and Maclachlan talked it over, and your answer was "yes."—A. That is what I say, that I did.

Q. You talked over how you could juggle the figures?—A. Not so that I could juggle them.

Q. Well, how the figures could be juggled?—A. I didn't give any information as to how they should be juggled.

Q. You were not concerned with how they could be juggled?—A. No.

*By Mr. Carvell:*

Q. You wanted so much money?—A. I didn't want any money.

Q. But your employer did?—A. The statement was based on the amount of money he wanted.

*By Mr. Pringle, K.C.*

Q. Why did these figures that you put in the statement require juggling?—A. Mr. Maclachlan could answer that, I couldn't.

Q. Why did they?—A. I don't know.

Q. Were they changed from your statement?—A. I don't know that.

Q. You put in the classification of rock and the classification of earth. At any rate you say the Resident Engineer signed them exactly as you gave them?—A. No, I didn't.

Q. Did you not say the statements were exactly the same?—A. I don't think I said that.

Q. Yes, you did.—A. I don't think so.

Q. You said he copied the statements exactly.—A. No, sir.

Q. All right. You are going back on that now, are you?—A. I said in nearly every instance.

Q. Will you tell us one instance where he copied exactly your statement?—A. I cannot.

Q. You cannot tell?—A. No, sir.

Q. Well now we haven't yet had from you an answer as to the date you discovered this big steal that you refer to in your letter of November 9, this graft on an enormous scale; can you give us the date?—A. The 26th of September, I believe, was the start when I knew the quantity was to be in excess of the 16,000 yards.

Q. That was the first time you knew there was to be this enormous grafting?—A. That is that the figures were to be placed at 27,000 cubic yards as McDonald told me.

Q. And you saw Mr. Valiquet when he got out there?—A. Yes.

Q. And Mr. Valiquet went over the work?—A. I do not know very much about what he did.

Q. You told him all your story, didn't you?—A. I was simply asked a few questions and, possibly, I asked a few.

Q. And you watched to see him do the work, didn't you?—A. I watched for the dredge *Ajax*, and I didn't see it.

Q. And he did it with the *Puget Sound*?—A. So he said.

Q. And you consider that the *Puget Sound* was a good dredge?—A. Yes.

Q. Did you tell Mr. Valiquet anything about these suspicions that you had? (No answer).

Q. You told Mr. Valiquet about the suspicions you had about the excess quantity of rock, didn't you?—A. I do not remember exactly.

Q. Did you ever read the specifications yourself?—A. I read portions of them.

Q. And you are aware that the contractors were to furnish all plant, etc., etc., under section 21 of the specification, that the plant had to be suitable in the opinion of the Resident Engineer? You knew that, and you understood that the plant that was put on there was suitable according to the opinion of the Resident Engineer?—A. The *Puget Sound* dredge you mean?

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Q. Yes?—A. Yes.

Q. It was a good dredge?—A. Yes.

Q. There was never any question raised by the Resident Engineer that the plant was not satisfactory?—A. As far as the Puget Sound dredge was concerned I believe it was.

*By Mr. Carvell:*

Q. When did the *Puget Sound* come on the work?—A. On the 16th or 17th of August, if I remember correctly.

Q. And there were clamshell dredges prior to that?—A. One to my knowledge.

*By Mr. Pringle:*

Q. They could not remove all the material reported up to that time with a clamshell?—A. The yardage papers, or the estimates, prove that they took out practically the whole quantity removed, they got credit for 4,000 or 5,000 yards of solid rock.

Q. With a clamshell?—A. Yes.

Q. I do not understand it that way?—A. I know they did, it is on the estimates.

*By Mr. Bennett (Simcoe):*

Q. Now all your part in this matter was simply that you would give Mr. McDonald a piece of paper, and he would go up and hold conversations with Mr. Maclachlan and arrange the estimate?—A. I had no prior conversations with Mr. Maclachlan about the estimates that I remember of.

Q. You never had any discussion with Mr. Maclachlan about the estimates at all?—A. I could not help but meet him——

Q. But not to fix up estimates, you never had conversations with him?—A. I told him I thought he was going a little too far.

Q. But it was not until this big estimate came in that you were suspicious there was anything wrong?—A. I could easily be suspicious, but I couldn't prove anything.

Q. How soon were you suspicious?—A. I think I spoke to Maclachlan about the July estimate if I remember correctly.

Q. That was when?—A. I think that was about the July estimate.

Q. The July estimate, and you told him you were suspicious of that?—A. No. I said, "I think you should be careful, Mr. Maclachlan, about passing quantities of solid rock."

Q. Now did you hear any conversations between McDonald and Maclachlan?—A. McDonald and Nelson were talking up good estimates to Maclachlan.

Q. You didn't happen to hear the conversations?—A. I was in the office.

Q. Well, then, all the way through this your position was simply this: You were told by your employer, McDonald, to give certain statements, and you gave them; you had nothing directly to do with Maclachlan in getting this estimate through the Department?—A. I was told by McDonald to make out a statement based on the amount of dollars and cents, to give him.

Q. And all that you say is that any estimates that were sent out were based on that basis, that you would give McDonald the statement and he would go off and see Maclachlan, and you would have nothing to do with Maclachlan?—A. I went to Maclachlan once or twice.

Q. Tell us how that was.—A. I think that was on the 26th of September, I was looking up the diary.

Q. Up till the 26th of September that would be the first time you had conversation with him?—A. McDonald delivered the first one I gave him, and I think I delivered the others, or Mr. Maclachlan came up to the office and picked it up; I think one was taken out of the office, one that I had left on the desk.

Q. You never had a discussion with Maclachlan, but you handed the statements

to McDonald, and if there was anything wrong—?—A. I made the statement in this sense, it was not that it was wrong—.

Q. You did not do that with Maclachlan, it was with McDonald?—A. I haven't said that—.

Q. What have you said?—A. I delivered some of these.

Q. But that was just as a messenger?—A. That is all I was.

Q. This is in the evidence at page 112:—

Q. What happened in July to arouse your suspicions?—A. Well, Mr. Nelson and Mr. McDonald were after Mr. Maclachlan all the time about rock. 'Forget there is dirt out there, we want rock.' They proceeded to give him good talks, as they called it, at the end of each month, the end of June and the end of July.

Q. Were you present at these talks, and did you hear what went on?—A. I was present at the talks, most of them. They retired to the private office when there was anything particular."

Now, then, as early as in July you knew it was all crooked?—A. In July I knew they were bringing pressure on Maclachlan to get quite a bit of rock, but it did not exhaust the total quantity. And I took it that the contractors were quite able to stand for it.

Q. What was the pressure, to substitute rock for earth?—A. They were talking for rock.

Q. Was it to get rock substituted for earth?—A. I do not know about that particularly; it was rock they wanted.

Q. What do you think they meant when they said, "Forget there is dirt out there, we want rock," did they mean to substitute rock for earth?—A. That is the statement they made.

Q. What did you understand they meant by that, that there was a fraud to be perpetrated?—A. It might be, it all depended upon how they could get it.

Q. And they wanted one to be perpetrated?—A. They were working and trying to use their influence on the engineer to get solid rock.

Q. To perpetrate a fraud?—A. I could not say that at that time, because the Government was entirely protected by the quantities.

Q. What was your honest impression regarding that expression, "Forget there is dirt out there, we want rock," what did it mean?—A. It meant that they were after solid rock.

Q. And they wanted earth called rock?—A. There was more rock in the quantities as taken from the plans than 4,300 yards.

Q. You did not understand there was anything improper about that?—A. Supposing I did, there was more rock there, lots of it.

Q. Then with regard to the expression, "Forget there is dirt out there we want rock," your honest impression now is that what they meant was that they were not taking out as much rock as there was to be taken out, now honestly, was that your impression?—A. No.

Q. And do you understand that not one man out of a thousand but would take out of it a different impression to your explanation?—A. My explanation of it is this that Mr. Maclachlan was working under the impression that 4,300 cubic yards was the total under the contract; I was not under that impression and it did not make any difference to me what amount of influence they used with Maclachlan up to a certain point so long as it did not exceed the total quantity in the contract.

Q. And when they said: "Forget there is dirt out there, we want rock," your idea of that was that there was nothing improper meant?—A. They could say what they liked. They could not make up that it was a fraud because they did not exceed the quantity.

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*By Mr. Pringle:*

Q. You were under the impression there was over 10,000 yards?—A. I made up an estimate in a few minutes, and as a contractor's estimate, I made it very conservative.

Q. The others estimated it absolutely wrong, there is no question about that, in your opinion?—A. I did not question it, because Mr. Maclachlan still persisted. But I did not change my views.

*By Mr. Bennett (Simcoe):*

Q. Why did they make that statement: "Forget there is dirt out there, we want rock"?—A. They were wanting as large an estimate as they could get.

Mr. CARVELL: Rock was \$9.10 a yard, and earth 52 cents.

*By Mr. Bennett (Simcoe):*

Q. Your idea was that as the rock was so many dollars per yard, and the earth only 52 cents, that they wanted earth called rock for the reason you have just given, that the rock was a higher price than earth?—A. They were wanting all the rock they could get.

Q. Even if it was dirt?—A. I cannot say that, because I knew what the rock was.

Q. Now listen to this: I will give you a question or two from your evidence the last day you were here:—

Q. Yes, 4,783 cubic yards up to that time. Now, Mr. Mallory, did you have anything to do with making up that estimate?—A. I handled a memoranda. I made up a memoranda of that estimate, before that estimate was made out by the resident engineer.

Q. To whom did you give it?—A. To J. S. Maclachlan.

That is correct is it?—A. Yes, sir.

Q. You prepared that and handed it to Mr. Maclachlan?—A. I prepared a statement based on dollars and cents, and McDonald took it, and gave me his approval, and said: "Take it to Maclachlan."

Q. And you discussed that with Maclachlan?—A. That may have been the time I made the comment about being careful.

Q. Going back to that other question, about not finding dirt, but rock, did you at any time receive instructions from Nelson to talk rock to Maclachlan; in other words, to substitute rock for earth?—A. No, that would not be it; I think I did receive instructions from Mr. Maclachlan, talk rock.

Q. You received instructions from whom?—A. Nelson may probably have told me to talk rock.

Q. Did you talk rock to Maclachlan?—A. No, sir.

Q. It is only about the 2nd of September when you gave Maclachlan an estimate, did you discuss the estimate with Maclachlan?—A. Yes, sir, if I remember correctly, I will look at my diary for that.

Q. Did you tell him the estimate was too much for rock?—A. I would like to have the diary. (Diary handed to witness).

Q. Did you tell him the estimate was too much for rock on the 2nd September?

Mr. CARVELL: 2nd September or 2nd October?

Mr. BENNETT (Simcoe): That is the date here, 2nd September.

The WITNESS: What is the question?

*By Mr. Bennett (Simcoe):*

Q. Did you and Maclachlan on that date discuss the question that the quantity of rock in the original estimate was not as high as actually was being returned up to that



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time?—A. No, I made the statement that Maclachlan should be very careful about estimating so much solid rock, when the original estimate was only 4,300 yards. I increased it 500 yards at that time to make it safe.

Q. Did you ever caution Maclachlan before about being careful about estimates?—A. I do not remember.

Q. Why were you cautioning him, because they were not honest estimates or that there was a chance of being caught on them?—A. I cautioned him at that time because he was working on the understanding that 4,300 yards was the total quantity, and in the estimate for July we had about come up to that quantity. If I remember correctly, with the 50 per cent rock taken as 100 per cent rock, which would reduce the quantity of that item half, it nearly amounted to about 4,300 yards.

Q. But as a matter of fact, did you not know there had been no such quantity of rock put out at that time?—A. I knew that that quantity had not been put out at that time, but I knew that quantity was there to come out.

Q. But you knew it had not come out at that time, yet it was put in the estimate as having been taken out?—A. Yes.

Q. When the estimates were put in for July did you not know at that time the estimated quantity of rock had not been taken out?—A. I have said in my affidavit there were not over 500 yards.

*By Mr. Barnard:*

Q. Did you say just now that on the 2nd September you knew they had just about reached the total quantity of rock there was there?—A. No, sir.

Q. What did you say?—A. I said as far as Mr. Maclachlan was concerned he was working on the basis of 4,300 yards of rock in the contract, and that I mentioned to him, said to him, that I thought he should be careful, because the July estimate, as I said, making that deduction for the 50 per cent—

Q. But you were talking about the September estimate?—A. No, the August estimate. There was an August estimate rendered about the 1st of September, or thereabouts. The July estimate was the only one which had been paid, and the August estimate would not be paid until September.

Q. And then what?—A. I said the total quantity was only about 4,300—4,800 as I used it, and that he had better be pretty careful.

Q. Did you know anything about the August estimate then?—A. I didn't know what the August estimate was going to be, but I might have an idea.

Q. What do you think it was?—A. Mr. Maclachlan was taking—it was going to be 10,000 yards of solid rock, if I remember rightly, I am not sure.

*By Mr. Bennett (Simcoe):*

Q. You knew that the estimates were dishonest?—A. It is the only comment I made to Mr. Maclachlan that I remember making.

Q. You were asked, did you caution Mr. Maclachlan or use any words that could be taken as a caution. You replied that you did not believe you did then, but you thought you did on the 31st of July. You were asked what was the nature of the caution and you replied that you told him you thought he should be very careful about estimating too much solid rock when you knew that 4,800 cubic yards was all the solid rock there was on the work. When asked what reply he made to that you give this version of what he said: "I have never had any trouble with Ottawa and I think this will go through all right."—A. That is a mistake in the date.

Q. And at this time you suspected Maclachlan had an interest in the contract?—A. At what time?

Q. On the 2nd of September or whatever date it was, this conversation took place. Did you not suspect Maclachlan then of having an interest in the contract?—A. No, sir, I do not think so.

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Q. When did you suspect he had an interest in the contract?—A. On the 3rd September.

Q. I see. There is a difference of one day.—A. Yes, sir.

Q. When you did not know of it on the 2nd September, what happened on the 3rd of September to make you think that Mr. Maclachlan had an interest in the contract?—A. It was the rather peculiar explanation, the rather flimsy explanation of the disappearance of \$2,500.

Q. The disappearance of what?—A. Of \$2,500.

Q. Has that been explained in the evidence?—A. Yes, sir.

Q. What was the reference, was it a payment to Maclachlan of \$2,500?—A. Yes.

Q. By whom?—A. By McDonald.

Q. So that was the first time you had any idea that Maclachlan had any interest in the contract?—A. Well, I might have guessed before that, but I don't know.

Q. Then down to the 3rd September you had no suspicion that on Maclachlan's part there was anything dishonest at all?—A. Well, up to the 3rd, up to the 4th September, I could see influences being brought to bear on Mr. Maclachlan to get rock in the estimates early, but no man could call him crooked.

*By Mr. Davidson:*

Q. Where did you get that book you kept your diary in?—A. Victoria.

Q. From whom?—A. The Macey Office Equipment Company, I think. I am not sure.

Q. What time did you buy it?—A. I don't know.

Q. You cannot give us any idea about that?—A. No, sir, I cannot.

Q. Was it immediately before you used it as a diary?—A. I do not know.

Q. You cannot tell?—A. No, sir, I don't remember.

*By Hon. Mr. Crothers:*

Q. Had McDonald anyone in his employ whose duty it was to keep track of the amount of material removed from day to day?—A. The engineers on the dredge were instructed to keep reports which were turned in, showing the number of scow loads turned out every day, and the capacity of the scows.

Q. Was this work being done by scow loads or measurement?—A. It is usual for the contractor to keep track of the place measurement, because it is generally understood there are certain cases—.

Q. So McDonald had a man whose duty it was to keep track of the quantity removed from day to day?—A. Yes, the quantity removed from day to day.

Q. Who was that man?—A. There was not any one man. One engineer might send one report and another engineer another report. They were steam engineers.

Q. Were you one of them?—A. No, they were steam engineers.

Q. When they made out these reports did they come to you?—A. Yes, I received them in the office. One or two were lost, I think.

Q. When you say there was less than 500 cubic yards of earth taken out, what do you mean?—A. That included two estimates.

Q. Two estimates?—A. Yes, sir.

Q. When was that?—A. That was in July.

Q. You knew there was not 500 cubic yards of rock left?—A. Yes, sir.

Q. I thought you reported?—A. I did not report anything.

Q. Somebody said you reported, who was it reported—Maclachlan?—A. He sent in the estimate, I didn't.

Q. I think you told us how much was sent in?—A. I just got it from the statement received by the Engineer at the Department at Ottawa.

Q. You did not send any report to the Public Works Department here, it was the Resident Engineer who did it?—A. I believe so.

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Q. What had you to do in making up the reports that were sent in by the engineer?—A. Nothing.

Q. Do I understand you to say that your employer wanted so much money, and he wanted you to make up a report of what had been removed so as to produce that much money?—A. No sir.

Q. What was it he said?—A. He said, make up a statement that would represent that amount.

Q. That is just what I asked you?—A. No sir.

Q. What you say is that the statement was to be made up to produce so much money?—A. It was a statement of "earth and rock" at McDonald's prices to make up that much money.

Q. That is the very thing I said?—A. No, you did not.

Q. That is what I meant, if I did not say it. Your statement is that he asked you to make out a statement for whom?—A. For him.

Q. Showing the quantities of earth and rock removed which would produce so much money?—A. Not earth and rock removed.

Q. What was it—to make up so much money?—A. He asked me to make up the quantity.

Q. Quantity of what?—A. Earth and rock.

Q. That is just what I said?—A. There was nothing said about removing it.

Q. To make up the quantities of earth and rock making so much money?—A. Yes.

Q. Did you not understand that that was to be what had been removed? It could not be put in the progress estimates except that had been removed?—A. I was not making up a progress estimate.

Q. You made up a statement for your employer which he wanted for the Government Engineer?—A. No sir, I did not.

Q. Didn't you know that it was for the Government? You understood that?—A. No, the Government didn't have anything to do with it, as far as I know.

Q. Then who was this statement for?—A. For McDonald.

Q. A statement by which he was to get so much money. Where was that money to come from?—A. That was up to him.

Q. You understood it was for payment for work done?—A. It was not for work done, because that was for the engineer's office, he knew how much was taken out.

Q. What was he to do with the statement you made up for him?—A. Anything he liked.

Q. You didn't know how he would use that statement?—A. He would usually look it over and take it to Maclachlan. He had the facts of it before him.

Q. Never mind about that, do you know what he wanted to do with that statement?—A. In some instances he told me to take it to Maclachlan.

Q. Do you know what he proposed to do with the statement that he asked you to make out?—A. He told me to make out a statement for so much money, that is all I know about it.

Q. Had you any suspicion in your mind what he wanted to do with that statement?—A. I knew the estimates were coming up.

Q. You knew that he wanted the statement to get so much money, didn't you?—A. He was trying to get so much money.

Q. Did you not know that he wanted the statement to enable him to receive the sum of money he mentioned to you?—A. He might have been going over the statement.

Q. I am not asking you what he "might" but what you know?—A. I cannot say that I knew he was going to do anything with it.

Q. And you did not suspect what he was going to do with it?—A. I might suspect but I didn't know anything.

Q. What did you suppose he asked you for the statement for?—A. He was—

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Q. What do you say about that?—A. I would find out later when he said, "Go to Maclachlan with it."

Q. You want us to understand you did not know what he wanted that statement for?—A. After it was made out I knew because he said, "Go to Maclachlan."

Q. Do you want us to understand that you did not know what he wanted it for?—A. After it was made out I knew because he said, "Go to Maclachlan."

Q. Didn't you know in your own mind why he asked you for that statement?—A. He asked me for a statement for so much money.

Q. And you understood that he wanted that statement to enable him to get the money, didn't you?—A. Well—

Q. "Yes" or "no," now?—A. He might have.

Q. "He might have," yes, that is not the question I am asking you. I am asking you whether you knew what he wanted it for?—A. He didn't tell me right out.

Q. That is not the question. Did you understand?—A. I understood that I made up that statement for McDonald.

Q. To enable him to get so much money?—A. To represent so many dollars and cents.

Q. To enable him to get so many dollars and cents? Answer the question, please, it was to enable him to get so many dollars and cents, "yes" or "no."?—A. No, I did not make it up to enable him to get anything. I made it up as he told me, and he could use it as he liked.

Q. Then you knew that statement was not founded on engineering facts?—A. It was founded on a statement of dollars and cents in front of which were the facts.

Q. The facts were in front of you?—A. Certainly and the facts were dollars and cents.

Q. You were making out quantities?—A. To represent dollars and cents.

Q. Were these quantities known to you?—A. In dollars and cents, yes.

Q. You knew dollars and cents were there. He asked you to make up a statement that would produce this sum, and that was a statement of quantities of earth and rock, wasn't it?—A. Yes.

Q. Very well, that is the statement that you made up and handed to him. Those are the facts to your knowledge?—A. All the facts were in front of him.

Q. What were the facts in front of him?—A. So many dollars and cents.

Q. He wanted a statement from you of quantities and you made out a statement of quantities, did you not?—A. Yes.

Q. What you mean to say is that the statement of quantities was made up from facts known to you?—A. Yes, facts right in front of me.

Q. And what were those facts?—A. Dollars and cents.

Q. That is all the answer you can give?—A. That is the only answer.

Q. You told my learned friend, Mr. Pringle, that you made up the quantities out of your head?—A. They were made up out of my head to represent the dollars and cents.

Q. Then it was a statement of quantities made up out of your head, and not based on facts?—A. Out of my head, how else was I to make it.

Q. When was that, at what time?—A. Nearly every month.

Q. What month was it?—A. Nearly every month.

Q. Nearly every month, it happened always?—A. Yes.

Q. What time did Valiquet go out there, Mr. Mallory?—A. About the 1st November, I think.

Q. The letter that moved him from the resident engineer, if I remember correctly, was dated the 20th August?—A. No, the letter that brought him out there was a wire to Mr. Rogers to have him sent out.

Mr. CARVELL: The telegram was sent on the 22nd day of October, and Mr. Valiquet arrived there on, I think it was, the 4th or 5th of November, I am not just positive.

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HON. MR. CROTHERS: There was no reply to Maclachlan's letter of the 20th August until the 22nd October?

MR. CARVELL: I will explain to the hon. Minister. On the 20th August a letter was sent from Mr. Maclachlan to the Chief Engineer, and a few days afterwards the Chief Engineer handed the matter over to Mr. Valiquet and asked him to reply. Mr. Valiquet did reply a day or two afterwards, I think around the 1st September.

HON. MR. CROTHERS: One of these letters?

MR. CARVELL: Yes, they are all in evidence, and Mr. Maclachlan replied to Mr. Valiquet's letter. The Chief Engineer says he never heard of those letters until just a few days ago.

*By Hon. Mr. Crothers:*

Q. When Valiquet went out, you had a chat with him?—A. I saw him in Mr. Barnard's office.

Q. And had some talk with him?—A. Yes.

Q. You knew he had come out to find if everything was all right in connection with this work?—A. I knew that was the request.

Q. Did you tell him what you knew, or put him on his guard?—A. No, the atmosphere was too icy, too freezy. He had been warned to keep away from me.

*By Mr. Bennett, (Simcoe):*

Q. If the amount placed by McDonald on the paper had been double the amount, you would have given just twice as many yards?—A. I could not answer, the thing did not happen.

Q. Following along your line of doing business, you would have just doubled the amount?—A. I would have done as I did up to the point that I stopped, and if the yardage had reached that point two months before I would have been out two months before.

Q. If he had given twice that amount in dollars, you would have given twice that amount in yards?—A. Up to the extent of what I knew was in the contract.

Q. The reason you gave that estimate of yards was because you knew, in your own mind, that that quantity had been taken out?—A. That had nothing to do with it at all.

Q. It is fair to assume if there had been a double amount of money required by McDonald, you would have to take double the quantities?—A. I would have figured out what would have made that double amount of figures.

*By Mr. Carvell:*

Q. Up to about 16,000 yards?—A. 14,000 or 15,000 yards.

Q. Of rock?—A. Yes.

*By Mr. Pringle:*

Q. You were attending to the office. You do not pretend to swear what the actual quantities of material were. That is a matter entirely for other people. You have no accurate knowledge as to that?—A. I have knowledge from the plan I figured from.

Q. According to that plan you make it 10,000 yards?—A. Roughly, I said I made it that. I have knowledge from being on the dredge "Lee" and also watching the "Puget Sound."

Witness retired.

Committee adjourned to 8.15 p.m.

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## HOUSE OF COMMONS,

ROOM 301,

MONDAY, April 10, 1916.

The Select Standing Committee on Public Accounts met at 8 o'clock, p.m., Mr. Bennett, Simcoe, presiding in the absence of the Chairman, and resumed the consideration of certain payments to Grant, Smith & Co., and Macdonnell, Limited, in connection with dredging at Victoria, B.C.

Mr. J. P. N. SINCLAIR MACLACHLAN called, sworn and examined.

*By Mr. Pringle, K.C.:*

Q. You live in the city of Victoria, Province of British Columbia?—A. Yes, sir.

Q. And you are a Civil Engineer?—A. Yes, sir.

Q. Are you a member of any engineering associations?—Yes, I am associate member of the Institute of Civil Engineers in London, and full member of the Institute of Civil Engineers in Canada.

Q. How many years experience have you had in connection with harbour and dredging work?—A. In harbour and dredging work I have had over 11 years' experience alone.

Q. Before we go into any of the details in connection with this work, it has been insinuated that you have received moneys from the sub-contractors or from Grant, Smith & Co. and Macdonnell, Limited. Have you ever received a dollar from any of them?—A. No, sir.

Q. Neither from sub-contractors or from contractors or anybody in connection with this work?—A. Never from a contractor in my life.

Q. When this work started had you before you the specifications and contracts?—A. Always.

Q. You had them in this case?—A. In this case.

Q. And you studied out the contract and specifications?—A. That was my duty.

Q. Have you got the specifications before you?—A. Yes, sir. (Producing specifications.)

Q. Look at Section 23 of the specifications. What was your interpretation of that section?—A. Which particular portion?

Q. The whole of it.—A. My idea is that you have got to read the whole of Clause 23 to understand any particular portion.

Q. Well then, reading the whole clause, what do you say is the meaning of that section.

Mr. KYTE: If the clause is not too long perhaps you would not mind reading it.—A. (Reads):

*"Excavation.*—The materials to be excavated, consist of earth and rock which shall be removed separately by two operations of ordinary dredging and blasting. All the earth overlaying the rock must be removed first; any quantity of earth which is supposed to be sand and clay that may be removed at the same time as the rock, shall be paid as earth. Over the crib sites, the rock excavation shall be carried to a depth of 36 feet below datum; in the slips on each side of the wharf, a depth of 35 feet shall be obtained. Wherever no rock is found for the crib sites at elevation 36.0 the dredging will be carried down to elevation 36.0 or lower if found necessary, and rubble stone will be deposited and levelled as a foundation for the cribs. All materials overlaying the rock that can be removed with a dredge shall be considered as earth.

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The volume of all excavated material for which the Contractor will be paid, will be that occupied by the material before its removal and will be determined by measurements, taken before and after its removal. Cross-sections will be taken over the surface of the rock and these measurements will determine the classification of materials.

Any excavation performed deeper than one foot below the prescribed grade shall not be paid for.

Q. Then there were two classes of excavation, earth and rock, and anything that could be removed by ordinary dredging was to be classified as earth and anything requiring blasting as rock.—A. That was my interpretation.

Q. That is your interpretation and that is the reading of the section. Now, you started to inspect all the drilling in connection with this work?—A. Yes, on the day that the drill plant started boring.

Q. And on the 20th August you came to certain conclusions in regard to classification?—A. Not suddenly.

Q. You say not suddenly?—A. Not suddenly, but due to my observations up to that time.

Q. Then you wrote the letter which has been referred to, and which is dated the 20th day of August, stating that you proposed to classify as rock material in the foundation which could not be removed by dredges, and which therefore under the terms of the contract was decided to be classified as rock?—A. Yes.

Q. You got a reply to that letter?—A. Not an official reply.

Q. Well, you got a letter in reply?—A. A private letter.

Q. And what was the date of that letter?—A. I really forget the date.

Q. Have you got the letter with you?—A. The letter is included in the evidence here.

Mr. KYTE: What letter is that?

Mr. PRINGLE: The letter in reply to Mr. MacLachlan's communication of the 20th August.

Mr. KYTE: A letter from whom?

The WITNESS: From Mr. Valiquet.

*By Mr. Pringle, K.C.:*

Q. Now, your staff consisted of whom?—A. In connection with the dredging.

Q. In connection with the dredging.—A. In all there were four inspectors employed.

Q. There were four inspectors employed?—A. And the junior assistant engineer, who also dealt with the matter, and the clerk in the office.

Q. Have the inspectors kept an accurate record of each day's work?—A. I personally saw to it.

Q. You personally saw to it? Have you got a record of every day's work?—A. Yes, on the drill plan.

Q. Will you produce those records? You might explain to the Committee how the records are kept.—A. It would be much better to explain any particular day, sir.

Q. Well, take any day, take this date for instance (pointing to documents). That is the 6th day of August, 1915. Now that was evidently a record of R. M. Smith?—A. R. M. Smith was an inspector.

Q. Just explain how that record is kept?—A. For example, his reading there is 19.4 elevation of surface of rock below low water. This was taken on the drill plant. The drill plant consists of a three-inch drill on which rests a four and one-half ton weight. It is lowered through any soft material—being more or less of the shape of a pencil with the weight on top—until it strikes hard material. The whistle is blown and the depth of this drill plant from low water is observed by the inspector in charge

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and by the contractors themselves and the record is kept here (indicating records). When the drill has gone down to the proper depth another whistle is blown and the elevation of the drill is taken.

Q. Then you say that a daily record was kept?—A. A daily record. This (indicating documents) was the daily record sent in each day by the inspector.

Q. Then that daily record having been sent in by the inspector, who figured out the quantities?—A. The junior inspector, or whoever was in the office, plotted from these on a map.

Q. Have you got the maps?—A. The maps are here. These lines represent the work done. He would plot on this map the corresponding depths mentioned here (indicating drill records) showing the top of the elevation of the hole. Each day's work was plotted as the work went on.

Q. I notice on this map different colours. One is pink, for instance, and the other is, I should say—A. Chrome yellow.

Q. What do these colours represent?—A. The pink colour on the map represents the work done in the month of August as shown on the map.

Q. And the chrome colour represents the work done in the month of September?—A. In the month of September.

Q. Now, having this all plotted who would make the computation as to the quantity of excavation?—A. It was done by the junior engineer assisted by the clerk.

Q. It was been said here by Mr. Mallory that he handed you from time to time statements and that you made estimates in accordance with those statements and sent them in. Is there anything in that?—A. It is perfectly untrue.

Q. Would it be possible for you to do anything of that sort, unless your whole staff were in the scheme?—A. My whole staff would have to figure out according to his figures. It is perfectly impossible that the two should coincide.

Q. I notice that all these inspectors have made affidavits as to the correctness of their work. For instance, Herbert Irvine. Was he one of the inspectors?—A. He was one of the inspectors.

Q. I have noticed that he has made an affidavit in which he says (Reads):—

"I, Herbert Irvine, of the City of Victoria, in the Province of British Columbia, do solemnly declare as follows:—

"On the 7th, 8th, 12th, 13th, 14th and 15th days of October, 1915, I was in the service of the Government of Canada as an Inspector of the drilling operations at the new ocean Docks which are being constructed at Ogden Point in the said City of Victoria.

"The work of inspecting the said drilling operations was performed by Mr. Frederick Jones, Mr. Robert Marshall Smith and myself.

"Each day reports in writing of said drilling operations were sent in by the Inspectors on duty to the office of John Sinclair MacLachlan, Esq., Dominion Government Resident Engineer in charge of said work.

"I hereby solemnly declare that all the said reports sent in by me, and which were duly signed by me were made out from figures which were actually and conscientiously taken by me during the actual progress of the work, and that the said records show independent reading by me which were found to agree with similar and independent readings taken by the representatives of the contractors for said work.

"And I make this solemn declaration conscientiously believing the same to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the Canada Evidence Act."

And in support of this there are declarations also from Frederick John Jones and Robert M. Smith. Were these the three inspectors?—A. Those are the three, they were the three inspectors, there was a fourth but he has gone to the front, he was only employed for a short time.

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Q. But he made returns just the same as the other three inspectors?—A. As the other inspectors.

Q. You have told us that the inspectors having made their returns those returns were taken by your assistant and they were plotted on this map, each day's work?—A. Yes.

Q. Each month's work was?—A. Each day's work was plotted.

Q. And at the end of the month?—A. At the end of the month the calculations were made.

Q. The calculations were taken from these plans and the estimates were based on that?—A. Yes.

Q. And Mr. MacLachlan you say that you wrote this letter of the 20th of August and you got a reply, which is on file here, practically authorizing you to classify this hard material as rock. Have you tested that hard material with a dredge?—A. There were two dredges applied on it at first.

Q. What were the two dredges?—A. Two clamshell dredges.

Q. Was there a dipper dredge tried?—A. Not at that time.

Q. Was there subsequently?—A. Subsequently a dipper dredge was tried on it.

Q. What dipper dredge?—A. The *Puget Sound*.

Q. And we have been told that the *Puget Sound* was an ordinary dredge, quite equal to any dredge on the coast. Mr. Mallory says quite equal to the Government dredge *Ajar*. Was the dipper dredge able to excavate this material?—A. No, the dipper dredge tried it at several places, and even after blasting the dipper dredge could not remove portions of it.

Q. It could not remove this hard material?—A. Even after blasting it could not.

Q. Now had the dipper dredge been tried before you wrote that letter on the 20th of August?—A. No.

Q. When was it tried?—A. I could not give the exact date, it was tried after the dredge had come off the work on the drilled site.

Q. Now then, in the affidavit which you have made, you make the statement that "the records as indicated in the contract drawings, taken from the original borings to estimate rock surface, and shown in parallel lines which are 100 feet apart, are no criterion in any form of what material cannot be removed by a dredge without blasting, and what is therefore entitled to be classified as rock or otherwise," why do you say these borings are no criterion in any form of what material cannot be removed by a dredge without blasting?—A. I can explain that better by using a similitude. We might just as well take the temperature in Ottawa and at Vancouver and assume that the temperature between is on a gradation. They are taken too far apart, not showing the material intervening.

Q. Is there any other reason?—A. Another reason is I considered the plant for the testing for the original hard material not a fair test.

Q. Why?—A. In my opinion that machine will penetrate through material which cannot be removed by a dredge. Mr. St. Laurent admitted as much to me when in Vancouver.

*By Mr. Carvell:*

Q. Is that the drilling test?—A. No, no, the original plant for testing the rock surface, the boring test.

*By Mr. Pringle:*

Q. And you say in your affidavit, "the plan of 100 feet to an inch, showing the original test bearings and soundings, is altogether inadequate for calculating even approximately the amount either of solid rock or hard material overlying same, both because the test borings are too far apart to give a sufficiently detailed contour, and because the drill used in these tests would pass through material which could not be

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removed by a dredge, and would therefore in the course of actual operations have to be blasted and classified as "rock";

Your adhere to that?—A. I adhere to that.

Q. Then you say: "When excavating, measurements were taken by this office corresponding to borings records in approximate squares of 4 feet from a plant which had  $4\frac{1}{2}$  tons resting on a 3-inch steel rod worked under steam pressure; obviously, such a close boring test, if properly carried out, must be correct."—A. Yes.

Q. Did you make that test?—A. I consider that this boring test gives an ideal testing machine for any hard material.

Q. Did you use the boring plant for testing this material apart from the dredge?—A. Exactly, I based my calculations on that as well.

Q. Well, the contract and specification only called for you to ascertain whether the material could be removed by an ordinary dredge, and if it could not be removed by an ordinary dredge you were entitled to classify it as rock, but you also made the test with this boring machine, or what do you call it?—A. A drill plant.

Q. You made the test with a drill plant, and you say that if that drill plant with four and a half tons resting on a three-inch steel rod worked under steam pressure would not penetrate this material you were entitled to classify it as rock?—A. My plans here will show that as well, where the drill penetrates the material no rock is allowed, it is shown on the plans.

Q. Then you did not allow any rock except for material which this drill would not penetrate?—A. To the best of my knowledge.

Q. To the best of your knowledge. Then you say, "Careful and exact plans at a scale of 10 feet to an inch were made by this office daily showing the exact work carried out from day to day"?—A. Yes.

Q. Would you put these plans in here, we will get them on the record?—A. They are all here.

Q. Well, I would like to have them on file. Does this show the whole work up to date?—A. That is one portion, there are three maps which show the amount of material drilled.

Q. Well, we will have the three maps?—A. It shows here where the drill could penetrate the material there is no rock shown; (indicating on map) the drill machine penetrated that stuff and consequently I did not include it as rock.

Q. You did not include it as rock?—A. No, and the same thing here (indicating on plan).

Q. Now do not let us get mixed on these plans. We will number these, which is the earlier one?—A. This (indicating) is the first one.

Q. Then we will call that No. 1—A. This will be the east and the west slip (indicating).

Q. The East slip will be No. 1, the Middle slip No. 2 and the West slip No. 3.—A. Yes.

Q. Now let us deal first with the soundings for the rock surface. On the East slip, that is on a scale of 10 feet to the inch, and you have your maps showing in June, 1915, in a light yellowish colour, and for July, 1915, in a greenish colour?—A. Yes.

Q. Does that show your borings for the two months?—A. There is the portion carried on here. For example, we finished this portion before the end of July was finished, and carried on here (indicating other plan).

Q. That would be carried on to No. 2. Then July would be finished in No. 2, and August was continued on in No. 2?—A. August was continued in No. 2.

Q. Then August, you say, was carried on to No. 2, and was that carried on again to No. 3?—A. As shown here by the colours.

Q. Now, does that cover all the excavation done up to date?—A. Yes.

Mr. CARVELL: No.

Mr. PRINGLE: I mean all the borings.

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Mr. CARVELL: That cannot be. There was boring done in September I think.

The WITNESS: That is all in there, September is here (indicating on plan).

*By Mr. Pringle:*

Q. Then September is also shown on Exhibit 3, and that covers all the borings done to date? Is that correct?—A. That is quite correct.

Q. So then, you got an absolutely correct record from the first day you started these borings down to the last day that any boring was done?—A. As far as I know. I do not know of any better method of keeping a record.

Q. Now, have you any reason to suspect that your inspectors were not honest?—A. My inspectors were always recommended to me as being the best men in practical experience available.

Q. And are your calculations made from your inspectors' returns to your office?—A. Altogether. You are referring to the rock, of course?

Q. I am referring to the rock. In connection with the rock, your calculations are made absolutely upon the returns of your inspectors?—A. Yes.

Q. Now, did you personally make these calculations, or were they made by your assistant engineer?—A. I have never made a calculation, only supervised the carrying out of the work.

Q. The calculations were really made by the officer under you?—A. Yes.

Q. You were there as a superintending engineer who supervised the work?—A. Yes.

Q. Now, then, you stated:

"When on the dredge with A. St. Laurent, Esq., Assistant Deputy Minister of Public Works, on the 4th of January, 1916, I pointed out the methods adopted in boring to make the special test under observation, when the material could scarcely be pierced even when one man had all his weight on the pipe, and the remaining two men could not force the water through. If my assumption is correct the pressure on the material at the base of the pipe must have been 250 pounds per square inch.

"This pressure has to be overcome before any dredge can successfully operate, and I have yet to discover a dredge on this Coast, apart from Government dredges, which will overcome this pressure, particularly working with an arm length of 46' and at an inclined angle. The original borings also were taken in parallel lines at 100' apart, and bearing this in mind, I pointed out to Mr. St. Laurent several indentations in the contour through which, if the lines of borings had been taken, an enormous amount of hard material overlying rock would be missed in calculating the quantities. These irregular contour lines are also an indication that the hard material overlying rock is also irregular in horizontal and vertical planes, and this I would carefully draw attention to in reply to the statement that the present borings and tests have not shown any very hard stratum overlying rock except in a few locations. I do not know what material is outside the lines dredged, nor does it decide the issue but I have a very clear recollection of the work which has been carried out within the specified lines. This is not the only instance which proves this system of estimating hard and soft material to be deficient."

Now, were you out on the work constantly yourself?—A. Every day.

Q. And you saw these borings being made?—A. Yes.

Q. And are you quite satisfied they were properly and correctly made from your own actual experience?—A. Whenever I was there I consider yes, and I have no reason to believe it was otherwise when I was not.

Q. Then you say again in your declaration:

"The original plan from which the works had to be set out is drawn on a scale of 100' to an inch. On it there is not a single line or angle by which the

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proposed piers may be located with reference to any existing works save by scaling. A considerable knowledge of mathematics and experience in harbour works was consequently necessary correctly to lay out the work, which was done without assistance from the Department. Acting on the instructions of the Department, Mr. Worsfold, District Engineer, visited the works on December 3, 1915, and found the location of the piers to be in accordance with the original plans. Since Mr. St. Laurent arrived here, and acting under his instructions, an endeavour has been made by my staff to calculate from the drawings accompanying the original estimates the quantities of rock to be estimated. Conclusive proof has been given that no hard material other than actual rock was included in these estimates, although it is a matter of common knowledge that in all excavation contracts the term 'rock' loses its technical geological meaning and is used to cover other hard materials which require to be bored and blasted and treated generally as actual rock. On the contrary, in order to arrive approximately at the schedule figures, it has been found necessary to make assumptions which no practical engineer would entertain. The first assumption is, that the material, hard and soft, at the back of the cribs is to be excavated only for a distance of 2' from the back with a vertical face. The drawings show a 10' space with a slope of 1 to 1. Even on land it is impossible to excavate to a vertical face, and I certainly know of no type of dredge which can perform that feat."

A. I adhere to that.

Q. You reiterate that statement now?—A. Yes.

Q. Now, Mr. MacLachlan, you have told us that all these calculations were made by your assistant and made on the data furnished by the inspectors?—A. Yes.

Q. And that was plotted, you say, from day to day on these maps. Were all these estimates based on that and nothing else?—A. All the rock estimates were based purely and simply on the returns taken from these and calculated from the plans prepared daily.

Q. It would appear that the first estimates that went in showed a greater quantity of rock—A. I omitted to state that.

Q.—than really was excavated. Will you explain that?—A. For the first month's estimate, the contractor had a long tale of woe as to expenses that had been incurred, and that he had to work for two months before receiving any payment from the Department, and asked for an extra amount to be returned, which I considered customary.

Q. I see you and Mr. St. Laurent agree as to that, that it is often done and you returned a larger amount than was actually excavated?—A. Yes.

Q. Was that deducted from the subsequent estimates?—A. The total excess given in the first month was deducted in the second month's estimate.

MR. KYTE: Do you mean to say that Mr. St. Laurent agreed with that proposition?

MR. PRINGLE: He says it is the usual thing to be done.

MR. CARVELL: I think you will find it was Mallory said that.

MR. PRINGLE: Mr. St. Laurent says it. I will find it in a moment.

*By Mr. Pringle, K.C.:*

Q. You made an affidavit in connection with this matter in which you set out all the facts in so far as you knew them?—A. Yes.

Q. I notice that in paragraph 12 you say (reads):

"The comparison between the results from the original boring records taken in parallel lines which are 100 feet apart and those taken by this office in

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squares of about 4 feet apart while the work was being actually carried out is a complete reply to the paragraphs in Mr. St. Laurent's letter referring to the different material met with";

Now, tell us what you did in regard to that? Did you make deductions where you observed there was soft material?—A. Where I considered the drill plant penetrated the material too rapidly I made deductions to the best of my judgment, and on consultation with the inspectors as to what we considered the right amount from each hole drilled.

Q. How far did those deductions go?—A. Well, we took an average for each slip—one for the East slip, another for the middle slip, and another for the West slip. The deductions on the East slip were one foot per hole; those on the middle slip approximately 6 feet per hole, and the deductions on the West slip two feet per hole. The deductions would vary in a day's work and amount to approximately 83 per cent, on July 29th, 50 per cent on July 30th, and on August 4th—those are deductions taken at random on the central slip—84 per cent deduction.

Q. Now, Mr. St. Laurent says in the next paragraph of his letter (reads):

"This can only be approximately correct, but I recognize there is no other way to arrive at more correct results."

Was there any way of arriving at more correct results, or do you agree with Mr. St. Laurent?—A. I know of no other method of doing so.

Q. Now, what do you say to this statement in Mr. St. Laurent's letter (reads):

"I have to ask you, however, to give again weighty consideration to the records, with the inspectors, to see if in the case, especially of the heaviest sections where a deduction of two feet only is made, whether the percentage of reduction of soft material found is not underestimated."

A. I discussed that with the inspectors in Mr. St. Laurent's presence after he had written me that letter, and Inspector Jones stated distinctly and definitely that he considered two feet was too much to deduct off the contractors' record.

Q. And two feet was deducted?—A. Two feet was deducted.

Q. And you considered that ample?—A. I considered that ample.

Q. I see in section 13 of your affidavit the following statement is made (reads):—

"The plant used in drilling the material during excavation may be considered as a perfect type of machine for recording hard surfaces. On it there are five drills, the weight of each point of which, exclusive of steam pressure, is about  $4\frac{1}{2}$  tons. This weight rests on a three-inch bit and with the steam pressure forces the point through all soft material, and when suddenly brought to a standstill by hard material a whistle for the inspector in charge is blown and a record of the height of the steel agreed on by him and the contractor's representative is made before operations are recommended. These records give the surface of hard material which has been classified as material which cannot be removed by a dredge, and therefore for the purposes of the contract to be regarded as 'rock.' The system of using machinery for finding hard surface entirely eliminates the personal equation which cannot fail to enter the systems of borings taken by men using a force pump and pipe as in the case of the original estimates. In all cases the material between the hard surface thus found and three or four feet below grade was drilled and blasted."

You adhere to that opinion that that was a thoroughly good test?—A. I certainly do.

Q. And no other material was allowed as rock that did not stand that test?—A. Not that I am aware of.

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Q. Then you say in paragraph 14 (reads):—

“In some cases before grade was reached the layer of hard material gave out and a layer of soft material was struck, which in my opinion could be removed by a dredge. It is extremely difficult to observe exactly the height at which the drill commenced to penetrate this soft material owing to the drill and heavy superincumbent weight rushing quickly through the soft material after boring the hard. Personal observations were made by me and continual conferences on the classification were held between the inspectors and myself at the time, and on the information obtained I made certain deductions which to the best of my knowledge are correct. Incidentally it may be observed that the contractors have made vigorous protest against the amount of the deduction.”

Now, those were the deductions that were referred to?—A. Those were the deductions.

Q. And you think you were on the safe side?—A. I consider I was very much on the safe side.

Then at 16 you say (reads):—

“Since Mr. St. Laurent’s letter was received, Inspector Jones, one of these in charge, was brought before Mr. St. Laurent and the matter of the two feet deduction in the western slip, mentioned in said letter, was discussed. He then, as previously to me, stated emphatically that the deduction of two feet was in excess of what he considered fair and just, as in the greater portion of this area the drill had to work every foot. In this connection it is fitting that I should state that the Inspectors, Messrs. Jones and Smith, are men of age and respectability, residents in Victoria for many years, and both employed by the municipal council as inspectors on important city contracts. They gave entire satisfaction in that position, and were specially recommended to me on that account by Mr. G. H. Barnard, M.P. The other inspector, Mr. Irvine, is also a competent man, but he was engaged on this work but a short time;”

Then at 16 you say (reads):—

“Other features in connection with the hardness of the material drilled which will probably throw light on the subject are the rates at which the holes were bored—approximately eight feet per hour which will be considerably less if the reductions made for classification are taken into account—the quantity of gelignite used, viz.: 47,000 pounds, and the closeness of holes—four feet apart on an average. The crudest calculations will show that 47,000 pounds of gelignite which is a high explosive could not be used under any circumstances to excavate 4,300 yards of rock the original quantity estimated. On the other hand, while not furnishing an exact check the quantity of gelignite would allow 1½ pounds per cubic yard of the hard material actually excavated and classified as ‘rock’ which is at least an average quantity for actual rock.”

That is correct, is it not?—A. Yes, that is correct.

Q. How do you know that 47,000 pounds of gelignite was used?—A. I had to take the statement of the contractors to that effect. I kept no record on my drill record of the amount of powder used.

Q. Then you say in 17:—

“I would draw attention to an important fact, that even with the amount of powder used the dipper dredge employed could not complete the excavation of the cut even after blasting, and on three distinct occasions it was found necessary to go over the ground and re-drill and re-blast”;

A. That is true.

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Q. That is true, that the dipper dredge could not excavate this material on three distinct occasions, and had to go over it again and re-drill and re-blast?—A. Yes.

Q. In 18 you say:

“Another comparison which I suggest is that between the original plans drawn at 100 feet to an inch and those made by this office, drawn 10 feet to an inch from records while the work was actually being carried on, and which are consequently much more accurate and reliable. I am more than proud of the methods employed in preparing all plans and records of the work under my control, and I am more than keen to prove that they followed a concise, comprehensive and accurate system of showing what work was actually done. The methods adopted are those derived from eleven years’ varied experience in different countries in dredging and harbour works generally.”

Now, what harbour works have you been on in the last eleven years?—A. I was engaged with Messrs. G. Pearson & Sons in Brazil on about three and a half miles of dock, and the excavation of a channel through about four miles in dredging.

Q. Are there any other harbours you have worked on?—A. On the west coast of Ireland on the excavation of material by dredges and on the construction of dock work, on contract, and on the excavation of rock, gravel and sand under different contracts.

Mr. PRINGLE: Now, Mr. Kyte, I think perhaps I was in error in regard to Mr. St. Laurent’s report. What he said was this that the amount certified is beneath the actual amount of the work done. Then he said that he was making no complaint in regard to Mr. MacLachlan having sent in that estimate for June.

Mr. KYTE: Probably he thought he wasn’t called upon to make any observation about it.

*By Mr. Pringle:*

Q. I understood Mr. Mallory to say that it was the proper thing to do; it was a sort of forced loan, so to speak, in order to give a little advance to the contractor which he was not entitled to. Now, what did he do, ought he to have taken the statement, such as Mr. Mallory told us this morning, given by him where a certain amount of money was stated by the contractor to be obtained, as he said, and he made up the calculation on rock and earth to meet the requirements of that money, would it have been possible for you to send in any such estimate as that?—A. It could not possibly tally with the drill record or the drill plan in the office from the records sent in daily: it would be perfectly impossible.

Q. Then are you in a position to say, Mr. MacLachlan, that the estimates sent in for rock tally exactly with the reports which you have produced?—A. They tally, but they are always less than the quantities taken from these plans; the plans are there, and the quantities can be taken from them at any time.

Q. I suppose any engineer can go to those plans to-day and make a computation?—A. Any harbour engineer should be able to take it from these records as entered there, and calculate the quantities from the maps.

Q. Any engineer could take the records, compare them with the maps, and from the maps could make a calculation as to the quantities?—A. I should have said any man with experience as a harbour engineer.

Q. Now then, something has been said here with respect to an automobile, what about this automobile?—A. Mr. McDonald, the sub-contractor, endeavoured to sell the car to me, and I took the car on trial, I was not satisfied with it, and I returned the car afterwards.

Q. Then you were never made a present of the car?—A. Certainly not.

Q. And you never, as a matter of fact, bought the car?—A. I never bought the car.

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Q. Mr. McDonald tried to sell you the car for a thousand dollars and you would not take it, you were not satisfied.—A. I was not satisfied.

Q. And the car was returned?—A. Yes.

Q. I suppose you were in a position to buy this thousand dollar car if you wanted to?—A. Yes, I hope so.

Q. You have been working for a long time now as an engineer, you have not only been eleven years on different harbour works but you have been on other work, you are an unmarried man, and you always received a pretty good salary?—A. Yes.

*By the acting Chairman:*

Q. What was your pay on this work?—A. \$3,000 a year.

*By Mr. Pringle:*

Q. Now, Mr. Mallory said that this estimate, referring to the first estimate, was made by you after he furnished you with the quantities. He puts it in this way. He is asked this question: "Well now, will you swear this estimate was made up by you under instructions of your employers McDonald and Nelson," and he says, "Yes." And then he is asked: "Did you give this to MacLachlan personally" and his reply is, "I beg pardon." And the next question is: "Did you give this statement to MacLachlan personally?" and the answer is, "I think I did," that is the first estimate; did he ever give you a statement?—A. Mr. Mallory presented records of what material had been dredged as represented by the number of scows each month. I asked him to do so, all the contractors did the same. I make a custom of it that each month's records be sent in to be compared with my inspector's reports in the office.

Q. I understand Mr. Mallory wanted your position?—A. That is pretty well known in Victoria.

Q. And he set out to try to get it, didn't he? Now, you heard Mr. Mallory's evidence this morning, and I do not wish to go over it all. He says that from time to time he made out these statements under the direction of McDonald, and they reached you, and that you made your estimates as exact copies of them. Is there anything in that?—A. I have already said that it is impossible.

Q. Here is the way he puts it. He says:

"A. I made out an estimate in McDonald's office and gave it to MacLachlan who, in nearly every instance, copied it exactly on these Department sheets and sent it to Ottawa."

Now is there any foundation of truth in that, could it possibly be true?—A. No, sir.

Q. No question about that?—A. No question.

Q. Because your estimates agree absolutely with all these returns?—A. The estimates are calculated from these plans.

Q. Well, what information could he give you from which he could form an estimate—A. The only thing he could give me was the quantity of material dredged, as represented by the number of scows.

Q. That would only be to see whether your place measurement came anywhere near the scow quantities?—A. You have to do that on contracts of this kind. This is a place measurement.

Q. Now, is there anything further, Mr. MacLachlan, that you wish to refer to? You told us you never received a dollar directly or indirectly from any contractor or subcontractor. Now, did you ever, except on the first occasion, return anything more than had been removed?—A. I beg your pardon?

Q. Did you ever, except on the first occasion, the June estimate, return anything more than the quantity that had been removed?—A. Never. The first estimate was the only estimate which had been exceeded.

Q. And that was deducted—A. From the second estimate.



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Q. After that, you simply returned exactly what was removed?—A. Yes.

Q. Have you any misgivings as to your classification?—A. None whatever.

Mr. PRINGLE: That is all I have to ask.

Mr. CARVELL: I have to get away this evening, and I want to ask a few questions.

*By Mr. Carvell:*

Q. I suppose, Mr. MacLachlan, you had certain conversations with Mr. Mallory?—

A. Yes.

Q. Quite frequently?—A. Quite frequently.

Q. And it is a custom, I suppose, in many cases that contractors and their clerks and the engineers on the work confer with one another?—A. It must be done.

Q. I want to get back to the first estimate. Do you remember of Mr. Mallory or Mr. McDonald coming to you with a statement of what their expenses were for that month?—A. I think—I won't say definitely what McDonald said his expenses were.

Q. Did he come to you with a statement?—A. A statement of his expenses?

Q. Yes.—A. Well, I cannot say. I know he came to my office saying his expenses were so much.

Q. And wanting, I suppose, some money to pay the bills?—A. He wanted an excess estimate.

Q. And you are willing. There was an excess estimate made out for the month of June?—A. The month of June.

Q. Well, do you mean to say now that the excess estimate in the month of June was in the total yardage removed or was only in the classification of the actual yardage removed?—A. I do not. There was an excess yardage in earth and in rock.

Q. In both?—A. In both.

Q. Have you anything there that would show what the actual yardage of earth actually should be?—A. Not of earth. We did not pay much attention to the actual amount of earth dredged as it was a place measurement contract. But I can let you have the rock.

Q. Let us have it?—A. 864 yards.

Q. That is returned. What was the actual amount removed?—A. I do not think there was anything at all removed that month.

Q. Then you and Mallory do not differ very much. He says there was not 50 yards removed, and I think he says that that consisted of a few boulders. Now, I want you to look at this document, which is one returned here from the Court authorities in Victoria (produces document Exhibit A). Were you ever furnished with a copy of a document of that kind?—A. (Witness examines document.) Well, I cannot say, I do not think so, I would not swear to it.

Q. You would not swear that you did or did not receive such a document as that?—A. No, I would not.

Q. Well, look that over, and see what you find there in the way of solid rock on that document.

Hon. Mr. CROTHERS: What is that?

Mr. CARVELL: It is one of the documents impounded in Court which Mallory says he took from McDonald's office.

*By Mr. Carvell:*

Q. What do you find in the way of rock?—A. 864 yards.

Q. What in the way of earth?—A. 16,416 yards.

Q. Now, let us look up the estimate for the month of June, and see what that says.

Hon. Mr. CROTHERS: Is that the report made to the department?

Mr. CARVELL: Yes, this is the actual estimate made to the department.

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*By Mr. Carvell:*

Q. I think you will recognize that as your estimate (handing Auditor General's file to witness)?—A. That came from my office.

Q. How much rock do you find in that?—A. 864 yards.

Q. How much earth?—A. 17,109 yards.

Q. How does that compare with the statement?—A. The rock is the same, but you have given 16,416 yards of earth.

Q. And you have how much?—A. I have got 17,109 yards.

Q. Then the actual earth returned is somewhere about 500 or 600 yards more than the amount on that yellow document?—A. Evidently.

Q. Now, was there any earth returned before that?—A. There was some earth returned for Grant, Smith and Macdonell.

Q. Just figure that out and see where we get to. Just take this and show us what earth had been returned before that?—A. 693 yards of earth.

Q. And subtract 693 from the return in the month of June, that is from seventeen thousand and something?—A. 16,416.

Q. And what is it on this yellow document?—A. 16,416.

Q. Marvellous estimate. Does that surprise you? Now, Mr. MacLachlan did not you take the figures that Mallory brought you in the month of June?—A. Mallory never brought me figures.

Q. Wasn't it there as patent as the nose on your face? Have you not returned to the department the actual figures McDonald made you in the estimate for the month of June?—A. No, sir.

Q. Well, I will leave it with you. Were there any statements brought to you by either Mallory or McDonald for the month of August?—A. There was a statement brought by either Mallory or McDonald, I forget which, as to the quantity of material dredged represented by scow measurement.

Q. Will you look at this little document. This was also found among the court papers (Handing document to witness).—A. (After examining document.) Yes?

Q. Is that a copy of the document given to you?—A. Certainly not.

Q. You say certainly not?—A. Certainly not.

Q. Have you the document that was brought to you?—A. No, sir.

Q. Where is it?—A. These documents were never kept—

Q. They were brought but never kept?—A. Being scow measurements.

Q. All right. You say that it was not kept?—A. It was not kept.

Q. Well, we will find it among the court papers. I want you to take this document and do some figuring on it and see if you do not find more wonderful results. (Handing document to witness). How much earth do you find as returned there?—A. Do you mean the estimates? You want for the month of July?

Q. Yes?—A. Earth excavation in place 24,940.

Q. Put that down, please. Now, take the earth excavation for August?—A. 26,940 I think it is.

Q. Now subtract one from the other and see what you have?—A. 2,000.

Q. That shows then that you returned an even 2,000 yards of earth for the month of August?—A. Yes.

Q. Now, we will take the rock at the end of August. How does that compare with the figures on that little document?—A. (After making examination.) It is 2,000 yards he has got on here.

Q. It is exactly the same thing?—A. Exactly.

Mr. PRINGLE, K.C.: These documents do not come out of MacLachlan's possession, but out of Mallory's possession.

Mr. CARVELL: They came out of McDonald's possession.

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*By Mr. Carvell:*

Q. Now, will you take the rock for the month of August?—A. 3,183 yards in July.

Q. Now, the quantity in August.—A. In August, 12,183.

Q. That leaves how much of a balance?—A. 10,000.

Q. How does it compare with that little document?—A. That is 10,000 and 5,105.

Q. I am talking about the rock removed?—A. The rock removed is 10,000.

Q. Now, take the rock that was blasted but not removed?—A. 5,105.

Q. What was the previous quantity?—A. 1,600.

Q. Now, subtract it?—A. 3,505.

Q. That does not compare with the figures on the little document?—A. Evidently not.

Q. But the 5,105, is there, on the smaller document, isn't it?—A. Yes.

Q. And the 1,600 is not there?—A. No.

Q. And consequently the 3,505 is not there on the small document?—A. I do not understand. I see 5,105 here.

Q. I say the 3,505 is not there?—A. Do you mean included in the 5,105?

Q. Do you find the figures 3,505 on that document?—A. No, they are not.

Q. Neither are the figures 1,600, but the figures 5,105 are there?—A. Yes.

Q. If that document was intended to be a correct document there is an omission in it is there not?—A. I cannot tell what the documents mean.

Q. I assume they were intended to be correct documents. I want to be fair with you. You say you never received a copy of that document. I am saying that if it was intended to be a correct document there is some omission?—A. If it is included in the 5,105, yes. The actual figures are not there.

Q. Is it a fact from the official record that the actual rock blasted and not removed at the end of August was 5,105 yards?—A. The sum total, yes.

Q. And that the amount for the month of July was 1,600?—A. Yes.

Q. Which left the amount for the month of August really 3,105 yards. Those are the facts?—A. Yes.

Q. But those facts are not stated on that document?—A. No, they are not there.

Q. In other words, that document is exactly the same as the estimates with that omission?—A. I would not say that, because I am not conversant with the details. I do not know anything about that.

Q. I thought perhaps you would agree to the figures, I will ask the question again, in order that there shall be no misunderstanding: Is not that document an actual summary of the actual estimate with the exception of the 1,600 yards?—A. I cannot say. The only thing I see is the figures 5,105. I do not know what this document means. I only see the figures 5,105, solid rock, 50 per cent. It might include the 3,105 and the 1,600 according to this statement.

Q. You think it does?—A. I could not say.

Q. We will not waste any time over it. I am treating you fairly. Is not the number of yards which you returned as solid rock the same as it is in this document?—A. The solid rock? Yes, that is right.

Q. 10,000 yards?—A. 10,000 yards.

Q. Are the figures not the same as in the document?—A. The same as in the document.

Q. Is not the amount of earth the same?—A. The same.

Q. Is not the amount of rock blasted but not removed for the month of August, the same as in that document.—A. 5,105?

Q. Yes?—A. The sum total for the August estimate is 5,105 yards.

Q. That is the sum total at the end of August?—A. That is of blasted rock.

Q. Were not those same figures on the little slip?—A. Exactly.

Q. And according to your estimates the 1,600 yards had been blasted before that?—A. Yes.

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Q. Which should be subtracted from that in order to get the quantity for July?  
—A. That is right.

Q. And the 1,600 and that subtraction are not on the document?—A. They are not on the document.

Q. That document goes further, and what does it profess to show?—A. It states (reads):

	August Estimate.		Sept. 18, 1915.
	S.R. 100%	S.R. 50%	Earth.
C. E. McDonald.....	3,000	5,105	
Puget Sound.....	7,000		2,000
Total for August.....	10,000	5,105	2,000
Solid Rock.....		\$	70,000 00
" " 50%.....			17,867 50
Earth.....			700 00
Total Estimate for August.....		\$	88,567 50
Total to Subs.....			58,060 00
Total to C. E. McDonald.....		\$	30,507 50

Q. That is \$30,000 for McDonald in the month of August?—A. Yes.

Q. Now, I want you to take the official estimate?—A. For August.

Q. Yes. Do you know what price was paid to McDonald, the sub-contractor?—  
A. The rock price was \$7.

Q. The amount of rock which you returned was 10,000 yards. What amount have you got there?—A. \$70,000.

Q. Yes, now taking the statement of rock blasted and not removed at 3,505 yards, at 50 per cent, would be how much?—A. You mean 3,505 yards?

Q. Yes?—A. That is \$3.50.

Q. Yes, \$3.50?—A. \$12,267.50.

Q. Yes, and your earth would be how much? What is he getting for earth?—A. I forget really what he got for earth; I think it was 35 cents, I am not quite certain of that.

Q. We will accept that as being the amount, that would be \$700, wouldn't it?—A. That is 2,000 yards, isn't it.

Q. Yes.—A. That is \$700.

Q. That was a total of \$82,967 for the month of August?—A. Yes.

Q. Quite a sum, wasn't it?—A. Yes.

Q. It was, without a doubt at all. How much of a plant did he have there in order to earn that much money?—A. It is a plant—

Q. Now, just please answer my question?—A. In the month of August?

Q. Yes.—A. In the month of August he had the *John E. Lee*.

Q. A clamshell dredge?—A. A clamshell dredge.

Q. Up to what time did he have that dredge?—A. Until about the 18th of August.

Q. And how many men did he have on that?—A. He had five or six men, I am not quite certain.

Q. What else did he have beside that?—A. A tug boat and two scows.

Q. How many men would there be in the tug boat?—A. A captain and probably a deckhand and the cook.

Q. How many on the scows?—A. One man on each scow, that is I am speaking from memory.

Q. And now you have about eleven or twelve men?—A. Yes.

Q. And then he had another dredge there, I think, for a few days, what dredge was that?—A. He had the *Puget Sound*.

Q. And they got there about the 16th or the 17th of August?—A. Somewhere about that.

Q. And how many men would be on that?—A. Well, I cannot say definitely about that.

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Q. Would it be about the same as the *John E. Lee*?—A. Oh, more.

Q. How many more?—A. Well, I really cannot say definitely.

Q. Well, now, Mr. Maclachlan, you were the engineer, and you were on the work every day, so you say, and you have a pretty intimate knowledge of conditions?—A. Yes.

Q. If there were more men on the *Puget Sound* than there were on the *John E. Lee*, in your judgment would 15 men cover the average number of men employed for that month, about the dredge, tug or scows?—A. Somewhere near that, anyway.

Q. I think that is about right. In addition to that he had also a drill plant?—A. No, he hadn't.

Q. There was no drill plant there in the month of August?—A. Yes, but it did not belong to him.

Q. It was there, I suppose he was paying for it some way?—A. Yes.

Q. We know, as a matter of fact, they were working there?—A. Yes.

Q. How many men were on that plant?—A. I could not say.

Q. I do not accept that answer from you, Mr. Maclachlan, you can tell me approximately?—A. I cannot.

Q. If you insist upon that answer you give me the impression that you do not know much about the work?—A. I am very sorry if I give you that impression, but I do not intend doing so.

Q. I want you to tell me how many men were on the work?—A. I cannot tell you that. If you knew what the plant was I do not think you would ask that question, I could not answer it in that indefinite way.

Q. I know what the plant is like. It is a drill plant, on a scow, with five drills on the scow?—A. I have never seen such a plant before.

Q. The drills are mounted on the scow, five of them, fifteen feet apart?—A. I do not think so.

Q. I am wrong there, it was  $7\frac{1}{2}$  feet apart?—A. No.

Q. And what else was there doing?—A. There was a smithy on part of it where they were repairing their own plant, and there was a man in charge of the whole thing, and there was a man on each drill point—I really cannot tell you.

Q. Would there be a dozen men on the drill plant?—A. I should think so, at least that.

Q. Would you say there would be more than that?—A. Yes, in my opinion.

Q. Would you say there would be fifteen?—A. Put it at that.

Q. Then we have thirty men employed on that work outside the office staff and the overhead expenses?—A. According to that estimate.

Q. I admit it is a rough estimate, of course there might have been 29 or there might have been 31, and you have the dredge, two scows, a tug, and the five-drill drilling plant, and you reported to the Public Works Department an estimate of \$82,967 earned for that month?—A. Yes.

Q. Do you remember any mistakes having been made in calculating your estimates for the month of August?—A. No sir, I do not.

Q. Do you remember any difficulty about 1,600 yards of rock blasted but not removed?—A. No, I do not.

Q. Did you have a brother employed on this work?—A. He was employed by Grant, Smith and Company and Macdonnell Limited.

Q. In their office?—A. Yes.

Q. What is his name?—A. James B. Maclachlan.

Q. What were his duties?—A. His duties were to act more or less taking superintendence of the laying out of the material brought from the quarries.

Q. Did he have anything to do with the books and accounts?—A. Do you mean in Grant, Smith and Company's office?

Q. Yes?—A. I do not think so.

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Q. You don't know that?—A. I do not think so.

Q. Is Mr. Jamieson in Grant, Smith & Company's office?—A. Yes.

Q. What were his duties?—A. He attended to the accounts as far as I know.

Q. Of course, when you made an estimate, did you send a copy of that to Grant, Smith and Company?—A. Yes, I have always given a copy to the contractors.

Q. Did you send that estimate to them before you sent it to Ottawa?—A. I do not think that is ever done, but what I always do with the estimates is that I get the contractor to agree to the quantities.

Q. Then there is a conference before the estimate is sent to Ottawa?—A. It is necessary, in my opinion, that every estimate should be checked up.

Q. Then you did confer with the contractors before you sent the estimate to Ottawa?—A. "Confer" is not the right word, I think.

Q. Substitute any word you want to?—A. "Check up," I should say.

Q. And in the checking up do you remember 1,600 yards of rock being taken away from the estimate?—A. I do not.

Q. Do you swear to that positively that you do not?—A. I swear I do not remember.

Q. Do you remember your brother checking up the material and finding that 1,600 yards had not been subtracted from the estimate?—A. I do not.

Q. Do you remember Mr. Jamieson having observed the mistake?—A. I don't think Jamieson ever drew my attention to any mistake.

Q. I am just taking your recollection?—A. I don't remember that.

Q. I suppose you have seen the statement put in evidence as to the performance of this drill plant on the 6th day of August have you?—A. Yes.

Q. And there you observe that this plant averaged 74 feet per hour per drill through solid rock.—A. I don't think it says solid rock.

Q. You do not?—A. I do not think it does.

Q. Will you say that the plans show that much of a drilling record?—A. I cannot say how that calculation was arrived at. I have my contract records here, and I will look it up if you wish.

Q. I am leaving in a few minutes, but I expect to have the pleasure of examining you on a future occasion. I wish you would make up the record for the 6th, 9th, 10th—A. I have all the 10th here.

Q. 11th.—A. Also here.

Q. 12th and 13th days of August, and the 1st and 2nd days of September. (Witness notes dates.)

Q. I may tell you that these records are made up in the Public Works Department and were submitted here by Mr. Davy, and I think—in fact I know—the evidence is that they were made up from the official records sent to that Department.—A. Which official records, sir? There are two sets, one are mine and the other are the contractor's records.

Q. I do not know that I can tell you offhand.

Mr. PRINGLE: To simplify that, the contractor is here with his records. I would suggest that the witness make them both out.

Mr. CARVELL: Yes, make them both up.

*By Mr. Pringle:*

Q. I want to ask about these two documents. Did you ever see that document before?—A. No, sir.

Q. That is a document with this statement of quantities, it has not been marked as an exhibit.

(Document marked Exhibit A.)

Q. Then you never saw that?—A. No, sir.

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Q. No such document was ever handed to you?—A. No, sir.

Q. Look at this document, which we will call Exhibit B, was that document ever handed to you?—A. No, sir.

Mr. CARVELL: Just before I leave—I did not say that document (Exhibit A) was handed to him, but a copy of it.

*By Mr. Pringle:*

Q. Did you ever have a copy of that document?—A. No, sir.

Q. These figures are evidently taken from that estimate?—A. I cannot say.

Q. At any rate, you never had a copy of either of these documents handed to you?—A. No.

Q. Mr. Mallory has said this, in answer to this question:

“Up to the time you quarrelled with your employer you never intended to intimate there was any wrongdoing?—A. I intimated to Mr. McDonald, Mr. Nelson and Mr. MacLachlan—to MacLachlan that I thought he should be careful.”

Did he ever make use of that language to you?—A. No, sir.

Witness retired.

Mr. A. F. WOOLLEY called, sworn and examined.

*By Mr. Pringle:*

Q. What is your full name?—A. Andrew F. Woolley.

Q. What is your occupation?—A. I am a civil engineer.

Q. How many years standing as a civil engineer?—A. It will be thirty years in June this year.

Q. Thirty years?—A. Since 1886.

Q. You have a long experience?—A. Long enough.

Q. What firm are you connected with?—A. McFee, Henry & McDonald.

Q. Who are they?—A. They are a firm of old contractors, have been in existence quite a long time, sometimes it was just plain Henry & McFee, sometimes, Henry, McFee & McDonald.

Q. It is an old established firm?—A. For thirty or forty years.

Q. Have been carrying on public works for many years?—A. Building railroads all over Eastern Canada, and all over the States, the Western part. They are pretty well known.

Q. You come as their engineer?—A. Chief Engineer and General Manager.

Q. Now then, your firm had a subcontract for drilling?—A. Drilling and blasting.

Q. At Victoria harbour. Who did you have that subcontract from?—A. C. E. McDonald.

Q. That is the man who had the subcontract from Grant, Smith & Co., and Macdonell?—A. Yes.

Q. What price did you get for drilling and blasting this hard material?—A. \$4 per yard is our contract. Have not got it all yet.

Q. Were you on the work yourself from day to day?—A. All the time.

Q. You were on the work all the time?—A. The end of the week, on Saturdays sometimes, I would run over to Vancouver where my wife is still living, but I was there all week.

Q. What was it you get a yard?—A. \$4 a yard was our contract.

Q. After you did the drilling and the blasting, all this material had to be excavated?—A. It was supposed to be; it is not all excavated yet.

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Q. Are you familiar with the estimates that were sent in by the resident engineer, MacLachlan?—A. Only the sheets given us for the purpose of getting our payment.

Q. The sheets given you for the purpose of getting your payment?—A. Yes, they came from C. E. McDonald, the first one, and subsequent ones came from Grant, Smith & Macdonell's office direct, because for certain reasons we refused to accept payment from C. E. McDonald.

Q. Why did you refuse to accept payment from C. E. McDonald?—A. Well, I would just as soon have you leave out that question.

Q. I think it is important.—A. Because I did not have much faith in Mallory's handling our funds.

Q. So that you stopped getting payments direct from C. E. McDonald, and you had your payments come from Grant, Smith & Co.?—A. All subsequent payments since have been received that way. We got a blanket order from McDonald to require that to be done to avoid considerable trouble.

Q. When you started in to take this contract did you make an examination of the areas to be excavated?—A. I did.

Q. Did you make an examination of the plans in the district engineer's office?—A. I did.

Q. And were the soundings plotted on those plans showing the prevailing depth?—A. No soundings to speak of, as I remember now, on the plans, but he did have a map on plan paper which showed a recent survey, and on which the soundings were plotted at intervals about 10 feet apart on rather a large scale. As I understand it, this survey was taken at a comparatively recent date and not very long before I examined it and made a computation from it.

Q. On that were you able to make any estimate as to the quantity of rock?—A. I did make an estimate.

Q. What did you estimate the quantity of rock at from that more minute plan?—A. Well, I made an estimate of what I considered,—the data was none too great and I had only a limited time to do it in,—I made two estimates for my own information, one in which, in my best judgment, realizing the uncertainties there would be, and assuming that I was actually drilling and boring myself, I made one of what I called the minimum amount of rock or hard material, and I made another based on the greatest possible amount, and I assumed that somewhere between the two would be near the mark.

Q. And what did you make the estimate?—A. They were both necessarily approximate estimates. I made the minimum 35,000 and the larger 45,000. I judged there were somewhere between 35,000 and 45,000 yards which would probably be classified as rock under the specifications.

Q. What experience have you had in submarine blasting?—A. Well, I have taken out from three to three and one-half million cubic yards of rock under water.

Q. I suppose your experience in that class of work has covered a large period of years?—A. Well, it has covered quite a few years.

Q. And you thought your estimates were fairly safe estimates such as justified you in entering into this contract?—A. I would bank on mine as quickly as on anybody else's.

Q. After you had done this you and Grant, Smith & Co. and Macdonell Limited came together, and after some negotiations, agreements were entered into by which you were to do drilling and blasting for \$4 per cubic yard?—A. Yes, sir.

Q. Then did you keep an actual record of the rock or hard material, that could not be dredged and which was blasted?—A. We kept our daily drill record sheets for each shift which showed the starting and the stopping time of each drill and the elevation at which we struck the rock—in other words the grade or elevation at which we struck the material which was drilled, and the grade or elevation which we actually drilled to, which was below sub-grade.

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Q. How do your records compare with the records of the three inspectors?—A. I never compared them, I kept my own records. I don't know anything about the records of the inspectors on the machine, they carry very much less data than ours do. As I remember now their sheets show the number of holes and the actual depth drilled in each hole. I think that is all they carry on their sheets, while mine show quite a little bit more data.

Q. Have you got your sheets here?—A. I have not. I did not think I would be called to-night.

Q. You can produce them to-morrow?—A. Yes. But the Government have copies. I had copies made at their request. They asked for my own records and I refused to allow them to go out of my possession.

Q. You have the original records here and you can produce them?—A. Yes, it is practically our diary, or what we go by.

Q. Your diary is an actual record of your work?—A. That is about all. Of course, I remember some of the things.

*By Mr. Kyte:*

Q. You have no other records at all?—A. They are the only records we keep.

Q. Have you the records with you?—A. They are at the hotel. I will bring them down in the morning, but the Government has copies of them on file here.

*By Mr. Pringle, K.C.:*

Q. You said something about Mr. Mallory. I hope you won't reflect on him in any way.—A. I would rather not.

Q. At any rate, owing to your having come in contact with Mr. Mallory, you came to the conclusion that you would have your estimates paid through Grant, Smith and Company and Macdonnell Limited?—A. Straight from headquarters.

Q. And you procured an order for all your estimates to be paid direct?—A. We did after considerable skirmishing around.

Q. What is that you say?—A. We did after considerable skirmishing around and prevailing on McDonald. He didn't want to give it to us.

Q. I suppose you did not see very much of Mr. Mallory?—A. Very little.

Q. And a short time afterwards, I understand, Mallory's connection with the contract ceased?—A. I understood so. I never saw him any more for quite a while, until very recently.

Q. I suppose he conveyed the impression to you that he was a partner?—A. I never did quite understand Mr. Mallory's position. Sometimes he talked to me as though he was a partner and next time as though he was an employee. I didn't know who he was nor what position he did hold, exactly. He left me to imagine a few things.

Q. Do you think he knew anything about the quantity of rock that was removed?—A. No, I am satisfied he didn't. I don't think he does today.

Q. You don't think he does today?—A. I'm quite sure he doesn't.

Q. Do you think he has any experience in operating a dredge?—A. Well, from the little intercourse I had with him, talking with him on the boat, from the knowledge he expressed, I would say absolutely no. I suppose you can find that out from him, though.

Q. He has told us that he has not.—A. I judged so.

Q. You have read Mr. St. Laurent's report, have you?—A. Some of it in the evidence. I don't know as I read it all. I have had enough reading to do since I got here.

Q. Do you think your drill records have been used altogether fairly?—A. I do not. I think they have been used in a manner that is improper, unfair and absolutely prejudicial to our legitimate interest.

Q. In what way, just explain.—A. Well, in this way: The star performances, so to speak, have been quoted here in these proceedings, and it leads in a measure the

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layman and the public, and maybe some of these gentlemen here, to believe that is the kind of record we put out every day throughout the whole job.

Q. I see. They just singled some special days out?—A. There are times when we were working at a place where there was more soft material than was encountered anywhere else. The records of the drilling then was larger than on other days.

Q. Would you be able to make this unless you worked it out?—A. It was something like that.

Q. Was not that political business?—A. No, I do not care about the political end of it.

Q. You did not care about being made a political football in it?—A. The political end does not interest me at all.

Q. Did you do your work honestly?—A. You bet.

Q. You did it honestly?—A. And I did it in jig time and quicker than anybody else could do it.

Q. And did you get "rock" for "earth"?—A. No sir, I did not get as much rock as was coming to me.

Q. You did not?—A. No, sir, and I haven't got it yet, but I mean to get it.

Q. You mean to get it?—A. Yes.

Q. You have seen and heard for yourself here?—A. Yes, but the laugh will be on the other side sometime when I get it.

Q. I quite agree with you, the laugh will be on the other side—when you get it?—A. You don't want to make any mistake on that.

*By Mr. Kyte:*

Q. You have a grievance, too?—A. I think we have the biggest grievance of all. We have spent our money, we are no "middleman", but genuine contractors, and we are not getting a rakeoff for nothing.

*By Mr. Pringle:*

Q. Then so far as your firm are concerned you are satisfied that the engineer has not allowed you any rock where he should have allowed you earth?—A. I am satisfied he has allowed us no rock where he should have allowed us earth, yes, and furthermore he has, in my opinion, not allowed us enough rock. I told that to Mr. Valiquet, and I told it to Mr. St. Laurent both when they went out there to make an investigation.

Q. Could that material, which you have drilled and blasted, and for which you are being paid \$4.00 per yard, have been removed by an ordinary dredge?—A. Some small percentage of it probably could have; that was allowed for, but they allowed too big a percentage in my opinion.

Q. I am not asking you about the percentage of what they allowed, but about what they actually allowed to you for rock, could any of that have been removed by a dredge?—A. No, sir, and there was a whole lot more than what we were allowed rock pay for that could not have been removed by a dredge.

Q. Can you tell me how many yards you have excavated?—A. I stated a few minutes ago it was somewhere about three million or three and a half million yards.

Q. I mean on this contract, do your records show that?—A. I haven't made any very close calculation of the final quantities, such as I would want to swear to if I were going into court, but I should say it was pretty close to 40,000 cubic yards. I think these cross section sheets would show in the neighbourhood of 40,000 cubic yards or a little better and from that something like 20 per cent has been deducted. I would, for the sake of a quiet settlement, have been willing to stand 10 per cent deduction, but should I have to go to court for it I will ask for it all.

Q. That means that you have drilled and blasted 30,000 yards of rock?—A. Over 30,000, nearer 34,000 or 35,000, on a reasonable count. I should say that the material

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under these specifications is rather difficult to make up, it cannot very well be made by anybody unless after pretty close observation of it and being pretty well on the ground all the time.

Q. What is the nature of the material there?—A. In the bottom part of the cut, in some instances extending clean up to the surface, almost, or within a very short distance, it is solid ledge; and in other cases the hard solid ledge, like the inner harbour, extends up to various depths, one, two, four, five, six, eight, ten or eleven feet, according to the total depth of the cut there is that varying amount of compacted material on the top, whether you call it hardpan, or conglomerate, or plastic clay with imbedded gravel, or what not, it cannot be removed by a dredge, that will vary very largely from place to place.

Q. I suppose you have read these specifications?—A. Yes, I have; I read them long before this. I read them at the time this contract was advertised, and, furthermore, for this work I made a pretty close estimate and came pretty nearly bidding on that contract originally, but my people thought they were loaded up with all the work they wanted at that time and so I did not bid.

Q. But although your people did not bid you actually made up bidding figures?—A. Yes, I actually made up bidding figures.

Q. And consequently you understood just what the classification was?—A. That is right.

Q. Now who is the best man to classify the material? The resident engineer, the man on the ground, or who?—A. It couldn't very well be classified by anybody except somebody on the ground, any more than you could ride on the back end of a railroad sleeping car and look at the face of a rock cut as you rush along and pass judgment on the material that was in it two or three years after the cut was made.

Q. Then you have estimates from month to month and you have been paid on the basis of those estimates by Grant, Smith and Company and MacDonnell, Limited, on the same basis as they received it?—A. Insofar and as long as Grant, Smith and Company were responsible for these I did not worry very much about the yardage.

Q. Can you tell me the actual number of yards of rock you have been paid for?—A. No, sir, I cannot at the moment, I haven't that amount with me.

Q. Can you have that for us in the morning?—A. There were several estimates—I will explain to you why I cannot give you that information by memory; there have been accounts brought in each month since we got started; there are a certain number of yards which we do, and for which the original contractors get full price, and correspondingly the sub-contractors get their full price, and of that money is the 10 per cent that the Government holds back. Then there are a certain number of yards that are "drilled and shot" but not dredged, for which they are paid half price and pay us our half price, it is in the neighbourhood of 20,000 cubic yards or over that, with the 10 per cent retention to the end of the job, I do not know exactly.

Q. I think about 18,000 yards up to date. You say there is no question about 18,000 yards of rock having been taken out?—A. There has been considerably more than that taken out.

Q. There is no question about that?—A. There is not in my mind, or anybody else's in connection with the work.

Mr. PRINGLE: We will have to produce these original records at the next sitting.

*By Mr. Kyte:*

Q. Mr. Wooley, how much is still due your principals, your employers, upon this subcontract according to your calculation?—A. Well, it all depends. If they make a peaceable settlement, we will accept some sort of a compromise. I would rather not answer that question.

Q. I would like you to answer it?—A. I will think it over.

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Q. You are extremely positive?—A. I am going to be positive about any answer I make.

Q. Will you tell us to as near as you can estimate how much is still due, how much that you claim is still due your firm.

The CHAIRMAN: He says if they make a friendly settlement they may make a compromise.

*By Mr. Kyte:*

Q. I want to know how much he claims is actually due?—A. I think I can answer now. We have no claim yet. We are waiting for the Government to tell us what they intend to give us.

Q. We would like to know now what that claim is. Do they owe you anything?—A. Oh, Lord, yes.

Q. How much?—A. About 20,000 yards.

Q. At \$4 a yard, that is \$80,000?—A. Yes.

Q. And this thing is tied up owing to the trouble that Mallory has made. Is that the cause of it?—A. I understand so, I have never been told why it has been held up.

Q. Owing to what you regard as Mallory's unwarranted conduct in this matter you are held up for \$80,000 which you otherwise would have?—A. It is held back. We expect to get it.

Q. Have you any interest in the firm?—A. I am their superintendent and manager.

Q. A side partner?—A. And have a working interest.

Q. You are also interested apart from your salary?—A. I have no salary.

Q. You are paid on commission?—A. I am a partner.

Q. You didn't say that in the beginning, you stated you were chief engineer?—A. Chief engineer and general manager.

Q. You are a member of the firm, paid out of the profits of the company?—A. Paid out of the earnings of the company.

Q. Did you see Mr. St. Laurent when he was out there last winter?—A. I did.

Q. You went on the ground with him?—A. No, sir.

Q. He stated the other day that he went out with some man who gave him the use of a rod?—A. Mr. St. Laurent?—not with me.

Q. You were not with him?—A. No.

Q. Did any of your men go with him?—A. I was in Vancouver at the time, and I went over to Victoria at his request, I understood, and gave him our drill record sheets over there, and left them with him for a week, and I presumed he was through with them. But some days afterwards, after he had gone back to Ottawa, he wired me to send our drill records to him. I saw him around the hotel a couple of times.

Q. Were your men out with him during his inspection?—A. Our work was all through long before he got there. Our drilling plant had been moved away.

Q. You said you had no faith in Mallory handling your funds?—A. No, I did not.

Q. That is what you said first.

Mr. PRINGLE: He says: I did not have any faith.

*By Mr. Kyte:*

Q. In Mallory handling your funds?—A. That is what I mean to say now.

Q. Was he handling your funds?—A. He was, as far as I understand, handling McDonald's funds, records and cheques.

Q. They were McDonald's funds. They were not your funds at all that he was paying over to you?—A. No.

Q. McDonald was the man responsible to your firm for your payments?—A. Yes.

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Q. Well, then, Mallory was not handling your funds at all?—A. He handled the only cheque I ever got from McDonald.

Q. Did he handle that for your company?—A. You bet, not.

Q. Was it McDonald's funds he paid out to you?—A. It was our funds as soon as we earned it, as soon as I did the work that money was due me.

Q. Payable by whom?—A. First from the general contractor to the second contractor, and from the second contractor to me, to my firm.

Q. The second contractor was responsible to you for the funds?—A. Well, he was the only one I had to look to.

Q. Is he not the man who is responsible to you for the funds, as a matter of fact?—A. Surely.

Q. Mallory was not responsible in any way to you?—A. I do not think he was.

Q. When you stated you had no confidence in Mallory handling your funds, you did not mean that?—A. I meant every word.

Q. You admit he was not handling your funds at all. McDonald was paying you, was he not?—A. McDonald was supposed to pay me. I never got but one payment from him.

Q. I understand. So McDonald was the man responsible to you and not Mallory, is that correct?—A. Well, if you will ask plain questions, I will try to answer you very courteously.

Q. Was Mallory responsible, or was McDonald responsible to you, for the payment of your contract?—A. Legally, McDonald was responsible to us. But if Mallory was in a position of trust in McDonald's employ he must be trusted, which I did not do. Then I think the easiest way out of it is to get a blanket order to have the original contractors pay us, and have no argument.

Q. Have you any right to dictate to McDonald how you shall be paid?—A. I did not dictate who his employees should be, but I dictated how I was to get my money. For any other people I did not care.

Q. It was not from those people you got it?—A. I protected my end of it.

Q. You made another statement that you had no confidence in Mallory's estimate?—A. In Mallory's estimate.

The CHAIRMAN: His "knowledge."

The WITNESS: His idea of classification, his knowledge.

*By Mr. Kyte:*

Q. I want to know what you meant. You said you had no confidence in his estimate?—A. Not the sense you mean the word "estimate."

Q. Tell the Committee what you meant?—A. I do not know that I used that word estimate.

*By the Chairman:*

Q. The evidence was this, that in conversation with Mallory about the drilling or the dredging, you did not think he knew much about it?—A. I was convinced that he had no experience in that kind of work. I knew from the questions he asked me, and general conversation.

*By Mr. Kyte:*

Q. Did Mallory have anything to do with your estimate, Mr. Woolley?—A. How do you mean anything to do with it?

Q. With the amount of drilling you did, or the amount of blasting, he had nothing to do with fixing the amount, did he, of rock that you drilled and blasted?—A. I do not know whether he did or not. I didn't take any chances on that.

Q. You said you had not any confidence in his estimate.—A. I have not now, and never had any.

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Q. His estimate——?—A. Did I say “estimate”?

Q. You said estimate.—A. I think you have got that all wrong.

The CHAIRMAN: I think the word was “knowledge of the business.”

*By Mr. Kyte:*

Q. Perhaps he did not intend to use it in that sense.—A. I do not remember having used it in that sense.

Q. If you did use it, you did not intend to say that?—A. I am not taking back water on any statements I make, I will tell you that quite plainly. I do not think, sir, that I used the word “estimate” in any sense that you have in mind at all.

Q. I am simply using the word. You said you had no confidence in Mallory’s estimate.—A. You are using a word I did not use.

Q. You said you had no confidence in Mallory’s estimates?—A. You are attributing to me a word I did not use.

Mr. BENNET (Simcoe): I think he put it more the other way. I think he said he had no knowledge as an engineer from conversations with him.

The WITNESS: Of that kind of work.

*By Mr. Kyte:*

Q. You were not bound in any way as to information Mallory had as to estimates, were you?—A. You are still harping on the word estimates. I am not going to answer that question.

Q. I am not so sure you will not answer?—A. All right, go ahead.

Q. Did he have anything to do with making estimates for you?—A. I don’t know whether he did or not.

Q. You don’t know?—A. I never saw him make any.

Q. Upon whose estimates were payments made to you?—A. Payments were supposed to be made to us on the estimates turned in by the Government Engineer to the Department of Public Works, and for which Grant, Smith & Co. were paid.

Q. That is Mr. Maclachlan?—A. We were paid on the same yardage basis that the original contractors were paid on.

Q. When did you know, Mr. Woolley, that there was some question as to the amount of rock to be excavated.—A. I never did know there was any question until Mallory made all this stink.

Q. You know it now, don’t you?—A. There is not any question in my mind about it yet.

Q. Did you know that Mr. St. Laurent was sent out to make a report?—A. He made a very superficial inspection and I don’t think he could very well at that time.

Q. You have not very much confidence in Mr. St. Laurent as an engineer?—A. Under the conditions on which that estimate was made, if what I understand he has reported is to be the amount, I don’t think he is anywhere near the mark.

Q. It does not agree with your estimate as to what your firm should get?—A. Not by any means.

Q. That is the whole difficulty. You know that Mr. Valiquet went out to make a report?—A. I do.

Q. Do you know that Mr. Davy also made a report?—A. I have read some of his investigations, some of his examinations rather.

Q. Did Maclachlan tell you at any time there was some difficulty with the Department as to the amount of rock to be excavated?—A. Oh, we all got orders to shut down work for a while. There was no secret about that.

Q. That was in the month of August, was it?—A. Not in August, I think it was later than that. Our work was practically all through.

Q. Mr. Maclachlan wrote a letter on the 20th August to the Department in which he stated the amount of rock would very much exceed the estimate?—A. Yes, sir.

Q. Did you know Mr. MacLachlan had written that letter to the Department?—  
A. I asked Mr. MacLachlan myself—

Q. About what time was this?—A. In discussing it with Mr. MacLachlan, once upon a time, I was always hammering at him to get more estimates than was given to us. There has always been something held back upon us.

Q. That was the ground of complaint that you had right along?—A. Justly so, yes. I knew very well, as any man of common sense ought to have known, that the yardage was going to be away over-run, and McDonald knew it

Q. That is C. E. McDonald?—A. That is C. E. McDonald. I think everybody knew it. The contract with McDonald quite specifically states that the quantity to be moved was about 40,000 yards. But I am drifting a little off my story. You have asked me if I knew that letter was written. Sure. Mr. MacLachlan said "This yardage is running away bigger than we expected." I said "Here is the specification."

Q. When did you first know that the Department was endeavouring to tie the quantity down to the 13,000 yards?—A. I have heard it since some of this stuff came out in the appers. I have been reading the papers on the way over.

Q. You didn't know it at that time?—A. I had no other knowledge.

Mr. KYTE: That is all I have to ask for the present. Mr. Woolley will be good enough to bring at the next meeting those records of his, of which he spoke.

Committee adjourned until Wednesday, 12th instant, 10 o'clock a.m.

## APPENDIX

### SPECIFICATION FOR THE CONSTRUCTION OF TWO WHARVES AT VICTORIA, BRITISH COLUMBIA.

1. *Site*.—The proposed wharves are to be located between Rithets Wharf No. 2 and the breakwater, now under construction in the outer harbour of Victoria, B.C., as shown, coloured red on plan.

2. *General description*.—The works in connection with the construction of these wharves consist in: (a) Excavating in earth and rock to a depth of 35 feet, at low water, over the slips at each side of the wharves, and to a depth of 36 feet over the area covered by the cribs or to such depths as may be ordered. (b) Depositing layers of rubble and broken stone and levelling same at elevation —35.0, to receive the cribs. (c) Constructing 4,360 lineal feet of reinforced concrete cribs, placing and ballasting the same and building approximately 4,500 lineal feet of mass concrete superstructure. (d) Depositing filling between the lines of cribs and back of the bulkhead walls to the height of the coping of the mass concrete superstructure.

3. *Datum*.—All heights and depths are referred to ordinary low water spring tide in Victoria Harbour, as will be determined by the Engineer in charge of the work. When completed, the coping of the wharves will be 16 feet above the datum.

4. *Instructions to tenderers*.—Tenders will be made on the schedule list furnished; the prices will be for each unit quantity of the different items mentioned and required for the structures mentioned, and must include all allowances for waste, or superfluous lengths or quantities of materials of any kind. These prices shall also apply to any quantities of materials ordered during the progress of the works and not specified or shown on the plans as well as to any deductions in the quantities shown on plans.

Contractor will be obliged to sign a contract similar to form exhibited at same time as plans and specification.

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That this contract is made subject to the regulations made by Order in Council dated the third day of March, 1906, under and by virtue of the Public Works (Health Act), 1899.

*Tenders.*—Persons tendering are notified that tenders will not be considered unless made on the printed form supplied, and signed with their actual signatures, with their occupation and places of residence. In the case of firms, the actual signature, the nature of the occupations and place of residence of each member of the firm must be given.

5. *Deposit.*—Each tender must be accompanied by an accepted cheque on a chartered bank, made payable to the order of the Honourable the Minister of Public Works, equal to 5 per cent of the amount of the tender, which shall be forfeited if the party decline to enter into a contract when called upon to do so, or if he fails to complete the contract. If the tender is not accepted the cheque will be returned.

The Department does not bind itself to accept the lowest or any tender.

6. *Interest.*—Tenderers are notified that they must make their own arrangements with their bankers as to the payment of interest, if any, on the amount of the marked cheque accompanying their tender. The Government of Canada will not pay interest on said cheque pending the awarding of the contract nor be responsible for the payment of interest under any arrangement made by the tenderers. The cheque of the tenderer to whom the contract has been awarded will forthwith be deposited in the Department of Finance, and interest on the amount thereof at the rate of three per cent per annum under the regulations governing deposits in Government savings banks will be allowed.

7. *Plans.*—This specification supplements and explains the plans and defines the character of the materials and the methods to be employed on the work.

8. *Omissions.*—The plans referred to in this specification represent generally the nature and extent of the work to be done and executed; and further plans of details, or in explanation of the original plans, of work or works, which have been omitted and are required which shall or may be furnished during the progress of the work, shall be considered as covered by this specification, and their omission therefrom and supply at any future date shall not in any way vitiate, invalidate or render nugatory, in part or in whole, this specification or the contract, which will be entered into for the execution of the works referred to herein; and it is expressly to be understood, that the provisos and stipulations they contain shall remain and apply to all omitted work which may be required, and to the detailed plans that may be furnished at any time during the progress of the work. It is also to be understood and agreed upon that the Contractor will not be allowed to take advantage of any error or omission in this specification, as full instructions will always be given should such error or omission be discovered.

9. *Site.*—Parties intending to tender for these works, are especially requested to visit the place and site of the proposed works, and make their own estimates of the facilities and difficulties attending the execution of the work, including the uncertainty of weather and all other contingencies.

10. *Qualifications.*—The Department reserves the power and right to reject tenders received from parties who cannot show a reasonable acquaintance with and preparation for, the proper performance of the class of work herein specified and shown on plans. Evidence of such competency must be furnished by the tenderers if requested to do so.

11. *Drawings.*—The works are to be executed in accordance with the plans which are or have been exhibited for tenders, and such other plan of details, which may be



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supplied by the Engineer from time to time during the progress of the work, and of the lengths, breadths, depths, dimensions and descriptions hereinafter specified or described; subject, however, to any changes, modifications, alterations, deductions, additions or variations that the Engineer may or shall deem to be necessary or required during the progress of the work and the continuance of the contract.

12. *Prices.*—The unit prices mentioned by the Contractor in his tender are to be taken as those upon which he agrees to be paid for all the work embraced in this specification and accompanying plans, and also for all extra work which may be required for the proper execution of the contract. The prices will be held as rigidly inclusive, and to cover all failures, accidents contingencies, plant, labour and materials, and all damage that may happen or occur to the works, or any portion of them, or to the plant or tools provided and employed arising from the action of the elements, either from gales, storms, flood, ice, fire or any other cause whatever, up to their completion and final acceptance by the Department, excepting in such cases of uncontrollable action of nature, which it would have been impossible to guard against.

13. *Liabilities for injury, damages, &c.*—The Contractor will be held and deemed to be liable for any injury or trespass caused by his workmen, or otherwise, to persons or to properties adjoining the site of the proposed works by reason of a want of precaution or care on his part or that of his agents, servants, and workmen; and during the whole period of the execution of the work or suspension of progress of the same, all permanent or temporary erections, together with all vessels, dredges, lighters, or other things and materials, are to be properly watched, moored and cared for by day, and watched, moored and fully lighted by night.

14. *Defective workmanship and materials.*—The Contractor is to execute in the best and most workmanlike manner the whole of the works included in or referred to in this specification, and also all such further work as may or shall be ordered from time to time by the Engineer, and shall finish the same to his satisfaction; and if, in the opinion of the Engineer, it should appear and become apparent that inferior or defective work and materials have been, or are being constructed or supplied, the Contractor, or his foreman, or agents, or representative shall, when ordered by the Engineer, at his sole cost remove any work, workmanship or materials so deemed to be inferior or defective, and in the event of refusal by the Contractor or any of his employees to remove the condemned work or material, the Engineer shall, after the expiration of three hours from the time of notice, in writing, which shall be served on the Contractor or his agents or representatives on the work, have the power and right to have the whole or any part of the defective or condemned work pulled down and removed by men, other than those in the employ of the Contractor; and if deemed necessary or advisable, to replace the same with approved work, workmanship or material, the cost of removing and replacing to be charged to the Contractor and deducted from any moneys which may be due to him.

The Contractor shall also employ competent, skilful men to do the work; and wherever the Engineer shall inform the Contractor, in writing, that any man on the work is, in his opinion, incompetent or unfaithful or disorderly, such man shall be discharged from the work, and shall not again be employed upon it.

15. *Alterations.*—The Engineer shall have the power and right to make from time to time and at any time, additions to or deductions from the dimensions shown on the drawings or specified herein and to add to, omit, change, modify, cancel or alter the works and materials herein specified, or shown on the drawings, without rendering void or in any way vitiating the contract. The value or cost of such additions, deductions, omissions, modifications or alterations, shall be determined in accordance with the rates or prices stated in the tender, which prices are assumed, and will be taken to cover the cost of materials and workmanship measured in the work, or as



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specified herein, and to include the cost and expense of all plant, labour, machinery, tools, temporary works, cartage, freight, superintendence and profit; but the Contractor is not to make any change or alteration in the work or in the dimensions and character of the materials to be used, without the consent and permission, in writing, of the Engineer. In case such permission is not obtained, unless the Contractor can show good and sufficient reason for his action, payment for such work will be refused.

16. *Service ground.*—All ground required for the erection of shops, storing and framing of timber, and the right of way and access thereto must be supplied and procured by the Contractor at his sole cost and expense. The Contractor shall not be permitted to interfere in any way whatever with the traffic by rail or water in the locality unless special permission can be obtained, nor will he be allowed the use of any of the land in the neighbourhood of the proposed works without previously making arrangements with the proper persons authorized to do so.

17. *Meaning of terms, &c.*—Alterations, deductions, omissions, modifications or deviations are to be understood as applying to decided variations in the plan or design, such as a decrease in width, an increase in depth, the substitution of one class of material for another, the addition of works neither shown nor described, etc., and for these, or similar matters alone, will any sum be allowed to the Contractor or deducted from the contract, and then only upon the written orders of the Engineer. All other alterations, etc., consequent upon a better disposal of materials, an improved mode of construction adopted, repairs required, and such like, as long as the costliness of the materials, workmanship, etc., are of a trifling nature, which shall be judged of by the Engineer, shall be deemed to be included in the contract, and for such no extra sum or amount will, under any consideration, be allowed to the Contractor.

18. The term 'Engineer' used throughout this specification means the Chief Engineer of the Department of Public Works, or his accredited representative.

19. *Value and cost.*—The value of all work done under the terms of the contract and of all or any additions, deductions or modifications, will be computed and paid for at the rates or prices stated in the tender, upon the actual quantity or quantities found and measured in the work, without any allowance for waste, joints, scarfs, or any superfluous quantities of materials.

Work done is understood to mean materials built and secured in the work, filling and excavation accomplished.

20. *Impeding navigation.*—In all matters connected with the prosecution of the work, the transportation or delivery of materials of any kind required for them, and in making arrangements for these purposes, the Contractor must be governed by the laws and rules of navigation and the interpretation put upon them by the officer entrusted to enforce them, and he must use every precaution to guard against interrupting, impeding or in any way interfering with the navigation, as he will be held strictly and legally liable for all damages, loss or detention, that any vessel may sustain from any of his acts, whether such may result from a desire to prosecute the works or any other cause.

21. *Plant.*—The Contractor is to furnish all plant, moulds, patterns and all materials or things whatsoever in connection with the same, to the full extent found necessary or requisite in the opinion of the Engineer for the due and proper execution and completion of all works during the time specified. It shall be in the power of the Engineer to order off the premises any plant, moulds, patterns, etc., which may be found defective or unfit for the proper execution of the work, and the Contractor shall replace the same by a suitable and approved class of plant, moulds, patterns, etc.

22. *Quality of materials.*—All materials employed in this work must be of the best of their respective kinds, consistent with what has been herein specified.

Canadian materials only are to be used.

The component parts of the concrete shall be as hereinafter specified.

23. *Excavation.*—The materials to be excavated, consist of earth and rock which shall be removed separately by two operations of ordinary dredging and blasting. All the earth overlaying the rock must be removed first; any quantity of earth which is supposed to be sand and clay that may be removed at the same time as the rock, shall be paid as earth. Over the crib sites, the rock excavation shall be carried to a depth of 36 feet below datum; in the slips on each side of the wharf, a depth of 35 feet shall be obtained. Wherever no rock is found for the crib sites at elevation 36.0 the dredging will be carried down to elevation 36.0, or lower if found necessary, and rubble stone will be deposited and levelled as a foundation for the cribs. All materials overlaying the rock that can be removed with a dredge shall be considered as earth.

The volume of all excavated material for which the Contractor will be paid, will be that occupied by the material before its removal and will be determined by measurements, taken before and after its removal. Cross sections will be taken over the surface of the rock and these measurements will determine the classification of materials.

Any excavation performed deeper than one foot below the prescribed grade shall not be paid for.

24. *Rubble stone foundation.*—Wherever the depth of water is greater than 36 feet at low water spring tides rubble stone mounds shall be built to form a bed for the cribs, the core of the rubble mound may consist of all sizes of stone; the slopes shall be 1 on 1½ and the outer slope shall be built of stones weighing not less than 500 lbs. each. At elevation 36 below low water ordinary spring tides the top of the rubble mound shall be 50 feet wide, it shall be brought up to elevation 35 by a layer of broken stone of such size that it will pass in all directions through a 3-inch ring. The excavated portions of the crib seats shall also be overlaid with the same class of broken stone. The rubble mound will conform with the prescribed measurements, any extra quantity of stone deposited beyond 2 per cent of that calculated from the plan will not be paid for, the stone will be paid by the ton of 2,000 lbs. in place; the weight to be determined by water displacement.

The top surface of the mound shall be made level by sweeping it with a steel rail hung at the proper depth under a scow, or other suitable means. The sweeping shall be done in different directions and repeated as many times as may be ordered. A truly level foundation will be insisted upon. Wherever low spots are found more broken stone shall be added. Divers shall be employed by the Contractor to examine the foundation before cribs are sunk.

25. *Reinforced concrete cribs.*—The sides, outer ends and bulkheads of the wharfs from elevation —35.0 up to elevation +4.0 are to be built of reinforced concrete cribs. The cribs will preferably be built in a floating dry dock, or a scow without deck, whichever mode the Contractor may adopt, he shall be responsible for all accidents or difficulties whatever, that may occur during their construction, and until the cribs have been floated in position, successfully sunk in proper alignment, and filled with approved material. The cribs shall be built out of water to such a height that they will safely float themselves after launching. If thought advisable by the Contractor he may place valves in the outer walls of the cribs, so that water may be let in for ballast or the water required as ballast for sinking may be pumped in over the top. If valves are used it will be necessary to leave openings in the cross walls.

26. *Dimensions.*—The cribs will be built in lengths of 80 to 100 feet, at the option of the Contractor. The width will be 35 feet and the height 39 feet. The outer walls and bottom platform will be 20 inches thick, and the interior walls will be 10 inches

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thick. There will be two interior longitudinal walls and the main cross wall will be spaced 10 feet centres as shown. Extra cross walls between the face walls and first interior walls will also be built to a height of 10 feet from the bottom and also at 10-foot centres. Extra cross walls 5 feet high will also be constructed under the superstructure, as shown on plan.

*Mixture.*—The concrete for the cribs shall be mixed in the proportions of 1 part cement, 2 parts sand and 4 parts broken stone, or approved gravel. The cement shall be the product of Canadian manufacture, and shall conform to the standard specification for cement herewith attached. The sand shall be clean, coarse and free from dust, soft particles, vegetable loam and other deleterious matters; not more than 6 per cent should pass a sieve having 100 meshes per lineal inch; and it shall be approved by the Engineer. The stone shall be broken so that every particle will pass a 1½-inch ring and no particle shall be smaller than ¾-inch cube. All particles smaller than a ¾-inch cube will be considered as sand. If gravel is used it must be screened to the sizes specified above and be washed free from dirt.

Approved batch mixing machines only will be allowed on the work. The amounts of cement, sand and broken stone or gravel as specified above, must be measured for each batch before charging into the mixing machine. Only clean fresh water will be allowed to be used.

The posts, braces, etc., for moulds, shall be straight and strong and securely held in place. The proposed mode of construction shall be submitted before erection. The planking shall be tongued and grooved planed timber, and the finished moulds shall be water-tight.

The concrete shall be deposited in uniform layers of 6 to 8 inches continuously around the crib. The stone shall be well forked back from exposed faces and the concrete shall be well tamped around the reinforcing bars. Great care must be taken in laying the concrete to obtain a water-tight surface.

The concrete shall be mixed rather wet; no surplus of water shall, however, be allowed to flood the moulds. No cribs shall be floated out of the dock or launched until every part of the concrete that is to be immersed is at least 7 days old.

All outer concrete surfaces shall be coated with a neat cement wash of the consistency of cream; the outer face of the wharf including the superstructure, from the level of two feet below low water, shall receive two coats of this cement wash. The lower parts of the wall will necessarily be coated before launching the cribs.

The concrete will be paid for by the cubic yard, including the moulds, but exclusive of the price of the reinforcing steel.

27. *Reinforcement.*—The concrete cribs will be reinforced as shown in detail on sheet No. 3. The reinforcing bars will be plain round and square steel bars and shall be securely wired in place so that their position cannot alter while the concrete is being placed.

All bars in the cross walls shall be in one piece. They may be in two pieces in the longitudinal walls and jointed so as to develop the full strength of the rod.

28. *Re-inforcing bars.*—The Contractor shall furnish and place any additional quantity of steel rods that may be ordered during the progress of the work. All steel rods shall be the longest that it is practicable to place in the work. Whenever necessary to splice the rods they shall lap two feet and the ends wired together as may be directed by the Engineer.

The steel reinforcing rods shall be paid by the pound placed in the work.

The steel used shall be open hearth medium steel, with ultimate tensile strength of at least 60,000 lbs. per square inch, an elastic limit of not less than one half the



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ultimate strength, and shall elongate not less than 22 per cent in 8 inches. It shall bend cold 180 degrees around a diameter equal to the thickness of the piece tested without fracture on outside of bend.

In the above bending tests, the quality of the metal shall be such that it shall stand the above bending tests, upon a test piece of at least  $\frac{1}{16}$ -inch diameter after being heated to a cherry red and cooled in water to a temperature of 70 degrees F.

Sufficient notice shall be given by the Contractor as to where he proposes purchasing the steel, so that the proper mill inspection can be made, by an inspector appointed by the Department.

The tensile strength, limit of elasticity and ductility shall be determined from a standard test piece cut from the finished material.

Every finished piece of steel shall be stamped with the blow or mill number.

Finished bars shall be free from injurious seams, flaws or cracks and have a workmanlike finish.

The amount of phosphorous should not exceed .06 per cent.

The rods shall not vary more than  $2\frac{1}{2}$  per cent from the net sections specified.

The steel will require to be carefully stored and kept as free as possible from rust, as any bars having loose or scaly rust deposits will be required to be cleaned with a stiff wire brush before being placed in the work.

29. *Concrete superstructures.*—The superstructures of the wharf and bulkheads shall consist of concrete, moulded as shown on plans, in alternate sections approximately 30 feet long. These shall be finished with a V-joint one inch in depth on the outside. A layer of tarred paper shall be placed in the joints and a joint in the superstructure shall correspond with a joint between two cribs.

The outer or exposed faces of the mass concrete shall be finished for a thickness of 6 inches with a granolithic concrete, composed of one part Portland cement, two parts sand and four parts broken stone of a size that will pass a  $\frac{3}{4}$ -inch ring and containing no dust; the two classes of concrete shall be deposited separately by using face boards, care must be taken to secure an absolute bond between the two classes of concrete. Where the mass concrete is more than 4 feet wide, plums of sound stones of moderate size may be placed in the concrete not closer than 6 inches between any stone and not closer than one foot from the faces. No part of the mass concrete shall contain more than 30 per cent of these plums. No concrete shall be deposited under water nor when the temperature is below freezing. The top corner shall be moulded to a radius of 3 inches.

The mass concrete shall be composed of one part Portland cement, three parts of clean sharp sand and five parts of broken stone of approved quality or clean gravel. All the outer faces of the wharf and bulkheads shall be built vertical. The Portland cement shall conform to the standard specification hereto annexed.

30. *Sinking cribs.*—The cribs shall be sunk in their respective places on the foundation prepared to receive them, with their adjoining ends in close contact with each other and forming a straight line from end to end of the wharfs.

The cribs shall be sunk by depositing stone ballast on a temporary platform provided on top of the cribs; water ballast may also be used. Should it be found, after sinking, that a crib is not close up against the other or that it is out of alignment or not level, the Contractor shall be required to unload the ballast or pump out the water until the crib floats and replace it in the proper position.

The cribs shall be filled with dredged or other approved materials before the concrete superstructure is built.



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31. *Earth filling.*—The area enclosed by the concrete walls and that at the back of the bulkheads shall be filled with approved material to the level of one foot below copings or to such height as may be directed. All filling material shall be paid by the cubic yard measured in place after depositing.

Where directed the top of the filling, for a thickness of one foot, shall be finished with broken stone and fine gravel, in such proportions as may be directed; the whole shall be compacted by passing an 8-ton roller as many times as may be ordered.

32. *Walings.*—As indicated on the plans, two walings of B.C. fir, creosoted, 15 x 18 inches shall be placed off the outer faces of the wharfs and bulkheads; they shall be in lengths of 30 feet and over, pointed with a half lap of two feet and fastened at every five feet to the concrete superstructure with suitable anchor bolts 1½-inch diameter and 18 inches of their length in the concrete. The bolts shall be placed while moulding the concrete; all half lap joints shall receive a bolt.

The creosoted timber shall receive at least 12 pounds of oil of tar per cubic foot.

The nuts and washers shall be countersunk flush with the faces of the walings.

33. *Bollards.*—Cast-iron bollards shall be placed on the concrete superstructure at a distance of approximately 60 feet apart along the outer faces. They shall be moulded and fastened as indicated on the plans.

They shall be made of tough gray cast-iron and delivered unpainted; after acceptance and fastened in place they shall be painted with three coats of iron oxide.

34. *Iron.*—The iron used for all bolts must be of best quality and subject to the approval of the Engineer, and shall be capable of standing the cold test, that is, of bending while cold to within their own diameter or thickness, as the case may be, without fracture.

35. *Ladders.*—Steel ladders, built as shown on the detail drawing, sheet No. 3, shall be placed on the faces of the wharves where directed by the Engineer. Recesses shall be left in the superstructure to receive these ladders.

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36. *Service ground.*—All grounds required in connection with the execution of the work for the erection of stores, shops and for the purpose of framing timber or any other purpose whatever, and the right of way and access thereto, shall be provided by the Contractor at his sole cost, and duly registered leases from the property holders whose grounds the Contractor may deem necessary to occupy, shall be obtained. Certified copies and transfers to the Honourable the Minister of Public Works of these leases shall be furnished to the Department when the contract is signed, and it must be distinctly understood that no advances will be made on materials stored on any grounds other than those covered by said leases.

37. *Office for the Engineer.*—The Contractor shall erect a small building to be used as an office by the Engineer and the Inspector of Works, at a convenient distance from the site of the work, and furnish the same with a table, four chairs, a small stove with necessary pipe, wash-stand with basin, and cupboard. A frame building 15 feet x 30 feet, partitioned in 3 rooms, 9-foot posts, sheathed inside and outside, with battens over the joints, lined with building paper, properly ceiled and floored; provided with three windows and two doors, and covered with a pitched shingle roof, will answer the purpose.

38. *Office of Contractor.*—The Contractor must also establish near the site of the works, and keep open at all times during the prosecution of the works, an office for his own use where all notices and requisitions from the Department or the Engineer may be received or acknowledged either by himself or his authorized representative or agent.

39. *Representatives.*—At all times when the work is in progress, and when the Contractor is not present, there shall be a foreman, agent or head workman on the grounds; also copies of the plans and specifications. Instructions given to such representative shall be considered as having been given to the Contractor.

40. *Contractor's foreman.*—A competent foreman is to be kept on the work by the Contractor during his absence to receive the orders of the Engineer, and should the person so appointed be deemed by the Engineer to be incompetent or to conduct himself improperly, he must be discharged by the Contractor.

41. *Night work.*—Should it be found necessary to work at night, the Contractor shall furnish artificial light satisfactory to the Engineer.

42. *Signal lanterns.*—Bright white lights will be maintained by the Contractor for a warning to vessels and to avoid injury to the work from collisions during the whole period of execution of these works. The number of lights to be placed and their position to be decided by the Engineer.

43. *Lay-out of work.*—The Contractor shall be responsible for the proper alignment, heights and depths, which shall serve as guides in the execution of the works, and he shall lay out on the grounds all the works referred to in this specification and accompanying plans..

44. *Marks and stakes.*—The stakes and marks given by the Engineer must be carefully preserved by the Contractor, who must give the Engineer all the necessary assistance and facilities for establishing benches and plugs and for making measurements.

45. *Meaning of specification and plans.*—The Engineer shall be the sole judge of works and materials in respect of both quality and quantity. Should any discrepancy appear, or any misunderstanding arise as to the import of anything contained in either, the explanation of the Engineer shall be final and binding on the Contractor, and all directions and explanations required, alluded to, or necessary to complete this specification and give them due effect will be given by the Engineer.

46. *Progress and completion.*—The works are to be commenced immediately after the person or persons whose tender has been accepted shall have entered into a contract, and must be proceeded with in such a manner as will satisfy the Department of Public Works that the whole of the works referred to in the contract can be fully and satisfactory completed within twenty-four months from the date of notification of the acceptance of tender, time being of the essence of the contract.

47. *Inspection.*—The inspection of the work shall not relieve the Contractor of any of his obligations to perform sound and reliable work, as herein described, and any unfaithful or imperfect work that may be discovered before the final acceptance of the work shall be corrected immediately on the requirement of the Engineer, notwithstanding that it may have been overlooked by the Inspector.

48. *Payments.*—Ninety (90 per cent) per cent only of the progress estimates on the work done will be paid monthly until the completion and final acceptance of the completed work.

An advance of 50 per cent of actual cost of material delivered at the site of the work will be made provided such materials are stored on ground owned by the Department, or leased by the Contractor and transferred to the Department and to the satisfaction of the Engineer. If requested to do so, the Contractor will produce the receipted invoices and bills of lading of the materials delivered.

49. *Acceptance.*—No part or portion of the work will be accepted until the whole is finally completed to the satisfaction of the Engineer.

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50. *Complete work required.*—The Contractor is not to take advantage of any omission or details in drawings or specifications or errors in either, but he will be required to do everything which may be necessary to carry out the contract in good faith, which contemplate everything complete, of good materials, with accurate workmanship, skilfully fitted and properly connected and put together. Any point not clearly understood is to be referred to the Engineer for decision.

51. *Claims.*—No claims for extras will be entertained by the Department on account of unforeseen difficulties in the carrying out of the works herein specified.

52. *Extra work.*—No claim whatever shall at any time be made by the Contractor for or on account of any extra work or materials performed or furnished not expressly bargained for; unless such extra work or material shall have been expressly required by an order, in writing, from the Engineer.

53. *Medical attendance.*—The Contractor will be required to conform to regulations to be made by the Governor General in Council respecting the accommodation, medical treatment and sanitary protection of workingmen employed upon the work.

54. *Powers of the Engineer in Charge.*—The Engineer in charge will have no power to order extra work or charges which will entail an increase or decrease in cost without referring the matter to the Chief Engineer, and being authorized by him to order such changes. The Contractor will have no claims for compensation if such changes, though ordered by the Engineer in charge, have not been authorized, in writing, by the Chief Engineer. The Engineer in charge will see that the work is carried out exactly in accordance with the plans and specifications, and in matters of detail, or small changes necessary to secure good work, where the question of extra cost cannot come into consideration, he must use his best judgment in the interpretation of the specification, and must conduct the work and carry out the plans with the idea that the best results are to be obtained, and the Contractor must abide by the decision.

He shall give clear and detailed instructions to all inspectors, who will have no power to allow or make any changes in the work.

It will not be his duty to take the responsibility of advising the Contractor as to the way or best method of conducting his operations, and the Contractor must have his own Engineer in this connection. However, if in his own opinion the methods employed by the Contractor are such that the progress of the work is not satisfactory or that they may lead to bad results, it will be his duty to warn the Contractor to change these methods, and force him to take such steps as will ensure the completion of the work in strict accordance with the plans and specification.

## STANDARD SPECIFICATION FOR CEMENT:

## GENERAL CONDITIONS.

1. *Cement.*—All cement purchased must be well-seasoned Canadian Portland, of a reliable and established brand, and must stand successfully the tests herein specified and conform to the following requirements.

2. *Delivery.*—The cement shall be delivered under ordinary conditions, at least four weeks before it is required for use, so as to permit of the necessary tests and inspection, a minimum of fifteen days may be allowed, however, in the case of a well established and reliable brand.

3. *Packing.*—All cement shall be put up in strong barrels, well lined with paper, or in stout cloth or canvas bags.



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Each barrel shall contain three hundred and fifty pounds (350 lbs.) net, and each bag, eighty-seven and a half ( $87\frac{1}{2}$ ) pounds, net weight, or, four bags to the barrel.

Each package shall be plainly labelled with the brand and name of the manufacturer, and the bags must be of such material as will ensure a minimum loss in transit.

Any package broken or containing damaged cement or showing a large percentage of loss may be rejected or accepted as a fractional package.

4. *Storage*.—The cement shall be stored on the work in a suitable water-tight building, with the floor raised at least one foot from the ground, and so built that the space beneath shall be dry at all times and well ventilated. Each shipment or particular lot of cement shall be so arranged as to permit of easy access and location.

5. *Sampling*.—A sample is to be taken from every fortieth bag, or, if in barrels, from the centre of every tenth barrel, or otherwise at the option of the person in charge. Each sample package sent to headquarters for testing purposes must contain at least five (5) pounds.

#### METHOD OF TESTING AND QUALITY REQUIREMENTS.

6. *General*.—The acceptance or rejection of all cement shall be based on the following tests, which are to be made by the Engineer in charge of the Departmental Laboratory at Ottawa, supplemented by such tests as the person in charge may decide to make on the site of the work.

At the option of the person in charge, cement may be held awaiting the results of the 28-day tests before acceptance.

If the quality is not fully up to the standard hereinafter described, and of a brand acceptable to the Chief Architect, the Contractor shall, when so ordered, at once remove the condemned article from the storehouse at his own cost and expense and shall have no claim whatever for payment for or in connection with the cement rejected.

7. *Colour*.—The cement must be of uniform quality and of a light grey tint after being made into pats and exposed to the air. Any cement showing yellowish blotches, after being so treated, will be rejected without further tests.

8. *Soundness*.—Shall be determined by the following normal and accelerated tests: Four (4) pats of each neat and three to one, shall be made on glass and subjected to the following treatment:—

(a) To be placed in moist air twenty-four (24) hours, then exposed to the air of the laboratory for twenty-four (24) hours.

(b) To be placed in moist air twenty-four (24) hours, then placed in water at about 65 degrees Fahr., and to remain in said water for twenty-four (24) hours.

(c) To be placed in moist air twenty-four (24) hours then placed on a shelf in a suitable vessel filled with fresh water, but without allowing it to touch the bottom. The water to be then gradually raised to a temperature of 115 degrees Fahr., and maintained at that temperature for twenty-four (24) hours.

(d) To be placed in moist air twenty-four (24) hours, then placed in warm water at 100 degrees Fahr., the water to be then raised to a temperature of 212 degrees Fahr., and maintained at that temperature for three (3) hours. Or if preferred the pat may be placed in moist air twenty-four (24) hours, then placed in steam above boiling water and kept there for three hours.

The above mentioned four tests are to be made with both neat and three to one cement and sand.



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To pass these tests satisfactorily, the pats should remain firm and hard, and show no signs of cracking, distortion or disintegration.

9. *Fineness*.—The cement to be of such fineness that 92 per cent by weight shall pass through a No. 100 sieve having 10,000 meshes to the square inch, and 75 per cent by weight shall pass through a No. 200 sieve having 40,000 meshes to the square inch.

10. *Setting*.—Beginning of set shall not occur in less than thirty (30) minutes. End of set shall not occur in less than one (1) hour nor more than ten (10) hours. The time of setting shall be determined by means of the Vicat needle apparatus.

11. *Specific gravity*.—The specific gravity shall be 3.10 to 3.25.

12. *Tensile strength*.—Neat briquettes shall stand a minimum tensile strength per square inch.

	Portland. Lbs.	Puzzalona. Lbs.
Twenty-four hours in moist air. . . . .	150	150
One day in air and six days in water. . . . .	500	400
One day in air and twenty-seven days in water. . . . .	600	600

*Mixture of sand and one of cement*.—The sand to be used for this test shall be No. 4 Standard Quartz, or Ottawa, Illinois sand. The briquettes shall stand a minimum tensile strength per square inch:—

	Portland. Lbs.	Puzzalona. Lbs.
One day in air and six days in water. . . . .	200	125
One day in air and twenty-seven days in water. . . . .	275	200

All briquettes shall be made by hand and the moulds shall be filled by the pressure of the thumb.

The method used is the one adopted by the American Society of Testing Materials and the American Society of Civil Engineers. This can be found in "Practical Cement Testing," by W. Purves Taylor, M.S., C.E., page 120, first edition, 1906.

13. *Water*.—That used for gauging shall be clear and clean, and between 65° and 74° Fahr., and the water used for immersion shall be of the same temperature and shall be changed at least twice a week.

The tests shall be made as soon as the briquettes are removed from the water.

14. *Chemical analysis*.—The cement shall not contain more than 1.75 per cent anhydrous sulphuric acid ( $\text{SO}_3$ ), nor more than 4 per cent of the magnesia ( $\text{MgO}$ ).

15. *Crushing*.—The briquettes for this test shall be inch cubes and shall stand the following:—

	Lbs.
For twenty-four hour neat test . . . . .	1,500
For seven day neat test . . . . .	3,500
For twenty-seven day neat test . . . . .	6,000
For seven day test (three to one) . . . . .	1,000
For twenty-seven day test (three to one) . . . . .	2,500

The crushing test may be omitted at the option of the Engineer.

## LABOUR CONDITIONS.

The following conditions are incorporated in and shall form part of this specification:—

1. The Contractor shall not assign or sublet this contract without the written consent of the Minister first obtained: Provided, however, that (unless in any case the Minister objects thereto) the Contractor may sublet such portions of the work herein contracted for as is customary and usual in the construction of such works, but His Majesty shall not in any way be held liable for the payment of any moneys due to any sub-contractor, and the Contractor shall be held responsible for the proper performance of every portion of the work herein contracted for.

2. All workmen employed upon the work comprehended in and to be executed pursuant to the said contract shall be residents of Canada, unless the Minister is of opinion that Canadian labour is not available, or that emergencies or other special circumstances exist which would render it contrary to public interest to enforce the foregoing condition in respect of the employment of resident Canadian workmen.

3. No workmen employed upon the said work shall at any time be paid less than the minimum rate of wages set forth in the Fair Wages Schedule following:—

## FAIR WAGES SCHEDULE.

Trade or Classe of Labour.	Rate of Wages.		
	Not less than the following:		
Foreman carpenter.. . . .	\$ 4.75	per day of 8 hours.	
Foreman mixing concrete.. . . .	4.00	" 8 "	
Foreman laying concrete.. . . .	4.00	" 8 "	
Foreman stone crushers.. . . .	4.00	" 8 "	
Carpenters.. . . .	4.25	" 8 "	
Blacksmith.. . . .	4.00	" 8 "	
Blacksmith's helpers.. . . .	3.25	" 8 "	
Dredge captain.. . . .	150.00	per month and board.	
Dredge engineer.. . . .	135.00	" " "	
Dredge firemen.. . . .	65.00	" " "	
Tug captain.. . . .	100.00	" " "	
Tug engineer.. . . .	100.00	" " "	
Tug firemen.. . . .	60.00	" " "	
Drill runners.. . . .	3.50	per day of 8 hours.	
Scow and deckhands.. . . .	45.00	per month and board.	
Craneman.. . . .	100.00	" " "	
Quarryman.. . . .	3.00	per day of 8 hours.	
Powderman.. . . .	3.50	" 8 "	
Diver with outfit.. . . .	15.00	" 8 "	
Diver without outfit.. . . .	10.00	" 8 "	
Cook (male).. . . .	80.00	per month and board.	
Ordinary labourers.. . . .	3.00	per day of 8 hours.	
Driver with 1 horse and cart.. . . .	5.00	" 9 "	
Driver with 2 horses and wagon.. . . .	7.00	" 9 "	

4. The foregoing schedule is intended to include all the classes of labour required for the performance of the work, but if any labour is required which is not provided for by any of the items in the above schedule, the Minister, or other officer authorized by him, whenever and as often as the occasion shall arise, shall have the power to fix the minimum rate of wages payable in respect of any such labour, which minimum rate shall not be less than the rate of wages generally accepted as current in each trade or class of labour for competent workmen in the district where the work is being carried out.

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5. The Contractor shall not be entitled to payment of any money which would otherwise be payable under the terms of the said contract in respect of work and labour performed in the execution of the said contract, unless and until he shall have filed in the office of the Minister in support of his claim for payment a statement showing the names, rate of wages, amounts paid and amounts (if any) due and unpaid for wages for work and labour done by any foreman, workman, labourer or team, employed upon the said work, and such statement shall be attested by the statutory declaration of the said Contractor, or of such other person or persons as the Minister may indicate or require, and the Contractor shall from time to time furnish to the Minister such further detailed information and evidence as the Minister may deem necessary, in order to satisfy him that the conditions herein contained to secure the payment of fair wages have been complied with, and that the workmen so employed as aforesaid, upon the portion of the work in respect of which payment is demanded, have been paid in full.

6. In the event of default being made in payment of any money owing in respect of wages of any foreman, workmen or labourer, employed on the said work, and if a claim therefor is filed in the office of the Minister and proof thereof satisfactory to the Minister is furnished, the said Minister may pay such claim out of any moneys at any time payable by His Majesty under said contract and the amounts so paid shall be deemed payments to the Contractor.

7. No portion of the work shall be done by piece-work.

8. The number of working hours for employees, in the day or week, shall be in accordance with such statute or statutes of Canada as may now or hereafter be passed and, if there is no such statute, then in accordance with the custom of the same, or similar trades or classes of labour in the district where the work is being carried on—to be determined, in case of dispute, by the Minister—and no employee shall be required to work for longer hours except for the protection of life or property, or in case of other emergencies, when the necessity therefor is confirmed by the Engineer.

9. These conditions shall extend and apply to moneys payable for the use or hire of horses or teams, and the persons entitled to payment for the use or hire of horses or teams shall have the like rights in respect of moneys so owing them as if such moneys were payable to them in respect of wages.

10. The Contractor shall not be entitled to payment of any of the money which otherwise would be payable under the terms of the said contract in respect of any goods or materials supplied unless and until he shall have filed in the office of the Minister, in support of his claim for payment, a statement showing the prices and quantities of all the goods and materials supplied for the performance of the work and the amounts paid and amounts (if any) due and unpaid for such goods and materials, the names and addresses of the vendors, and such other detailed information and evidence attested by a statutory declaration of the said Contractor or of such other person or persons as the Minister may indicate or require, or may deem necessary in order to satisfy him that the conditions herein contained have been complied with and that the goods and materials supplied for the portion of the work in respect of which payment is demanded have been paid for in full.

11. In the event of default being made in payment of any money owing in respect of goods and materials supplied for the work in the execution of the said contract, and if a claim therefor is filed in the office of the Minister and proof of such claim satisfactory to the Minister is furnished, the Minister may, out of the moneys at any

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time payable by His Majesty under said contract pay, or cause to be paid, such claim and the amounts so paid shall be deemed payments to the Contractor.

EUGENE D. LAFLEUR,  
*Chief Engineer.*

Chief Engineer's Office,  
Department of Public Works,  
Ottawa.

Signed by the Contractor	}	(Sgd.) Grant, Smith & Co. & McDonnell, Ltd. By Grant Smith, Pres.
in the presence of		
(Sgd.) N. S. Ross.		

THIS INDENTURE made in duplicate  
this ninth day of March  
one thousand nine hundred and fourteen  
BETWEEN

Grant Smith and Company and McDonnell, Limited, a body politic and corporate having their chief place of business at the City of Vancouver, in the Province of British Columbia, Dominion of Canada, represented herein by Angus McDonnell, Vice-President, hereafter called 'the Contractor,' of the first part;

AND HIS MAJESTY THE KING, represented by the Minister of Public Works of Canada, of the second part.

WHEREAS the party of the first part, for the consideration hereinafter mentioned has agreed with the party of the second part to do, furnish and perform the works, materials, matters and things required to be done, furnished and performed, in the manner hereinafter described, in connection with the following work or works, namely:—the construction of Wharfs at Victoria Harbour, in the Province of British Columbia, Dominion of Canada.

Now this indenture witnesseth, that the said parties hereto hereby covenant, promise and agree, each with the other, as follows:—

1. In this contract the following words shall, unless the context requires a different meaning, have the following meanings respectively, that is to say:

'Contractor,' or other words relative thereto, or of like import, shall mean and include, irrespective of sex or number, the party or parties of the first part as above designated or described, jointly and severally, and their and each of their executors, administrators, curators or successors, or assigns.

'His Majesty,' or other words relative thereto, or of like import, shall mean and include the reigning Sovereign, or the successors or assigns of the Sovereign.

'Minister' shall mean the person holding the position, or acting in the capacity of the Minister of Public Works, for the time being, and shall include the person holding the position or acting in the capacity of the Deputy Minister of Public Works, for the time being.

'Engineer' shall mean the Chief Engineer or Chief Architect, as the case may be, of the Department of Public Works of Canada, for the time being having control



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over the work, and shall extend to and include any of the officers or employees of the Department of Public works, acting under the instructions of the said Chief Engineer or Chief Architect, and all instructions or directions, or certificates given, or decisions made by any one acting for the Chief Engineer or the Chief Architect, shall be subject to the approval of the Chief Engineer, or the Chief Architect, and may be cancelled, altered, modified and changed as to the Chief Engineer or Chief Architect may seem fit: Provided always and it is hereby understood and agreed that any act on the part of the Chief Engineer or the Chief Architect in connection with and in virtue of the present contract, and any instructions or directions or certificates given, or decisions made by the said Chief Engineer or the Chief Architect, or by any one acting for such Chief Engineer or the Chief Architect, shall be subject to the approval of or modification or cancellation by the Minister of Public Works of Canada.

'Work or works' shall mean the whole of the work and materials, matters and things required to be done, furnished and performed by the Contractor, as above described, under this contract.

2. All the covenants and agreements in this contract binding on, and all the provisions in this contract inuring to the benefit of the Contractor shall, respectively, be binding on, and inure to the benefit of the executors, administrators, curators, successors and assigns of the Contractor and all the covenants and agreements in this contract, binding upon, and all the provisions in this contract, inuring to the benefit of His Majesty, shall, respectively, be binding upon and inure to the benefit of the successors and assigns of His Majesty.

3. The Contractor shall at his own expense (except as in this contract otherwise specifically provided), provide all and every kind of labour, superintendence, services, tools, implements, machinery, plant, materials, articles and things necessary for the due execution and completion of all and every the works set out or referred to in the specification hereto annexed, and in any special specification referred to therein and set out or referred to in the plans and drawings prepared and to be prepared for the purposes of the work, and shall forthwith commence the works and diligently execute and fully complete the respective portions thereof, and shall deliver the works complete in every particular to His Majesty within twenty-four (24) months from the date of notification of the acceptance of tender (3rd March, A.D. 1914).

Time shall be deemed to be material and of the essence of this contract.

4. The works shall be constructed by the Contractor and under his personal supervision, of the best materials of their several kinds, and finished in the best and most workmanlike manner, and in the manner required by and in strict conformity with this contract, the said specifications and special specifications, and the plans and drawings relating thereto, and the working or detail drawings which may from time to time be furnished (which said specifications, and special specifications, plans and drawings are hereby declared to be part of this contract), and to the complete satisfaction of the Engineer.

5. The work shall be commenced, carried on and prosecuted to completion by the Contractor in all its several parts in such manner and at such points and places as the Engineer shall, from time to time, direct, and to his satisfaction, but always according to the provisions of this contract, and if no direction is given by the Engineer, then in a careful, prompt, and workmanlike manner.

6. The several parts of this contract shall be taken together, to explain each other and to make the whole consistent; and if it is found that anything has been omitted or misstated which is necessary for the proper performance or completion of any part of the work, the Contractor shall, at his own expense, execute the same as

though it had been inserted and properly described, and the correction of any such omission or error shall not be deemed to be an addition to or deviation from the works hereby contracted for.

7. The Engineer may, in writing, at any time before the final acceptance of the works, order any additional work, or materials or things, not covered by the contract, to be done or provided, or the whole or any portion of the works to be dispensed with, or any changes to be made which he may deem expedient, in, or in respect of the works hereby contracted for, or the plans, dimensions, character, quantity, quality, description, location or position of the works, or any portion or portions thereof, or in any materials or things connected therewith, or used or intended to be used therein, or in any other thing connected therewith, or used or intended to be used therein, or in any other thing connected with the works whether or not, the effect of such orders is to increase or diminish the work to be done or the materials or things to be provided or the cost of doing or providing the same; and the Engineer may, in such order, or from time to time as he may see fit, specify the time or times within which each order shall, in whole or in part, be complied with. The Contractor shall comply with every such order of the Engineer. The decision of the Engineer as to whether the compliance with such order increases or diminishes the work to be done or the materials or things to be provided, or the cost of doing or providing the same, and as to the amount to be paid or deducted, as the case may be, in respect thereof, shall be final. As a condition precedent to the right of the Contractor to payment in respect of any such order of the Engineer, the Contractor shall obtain and produce the order, in writing, of the Engineer, and a certificate, in writing, of the Engineer, showing compliance with such order and fixing the amount to be paid or deducted in respect thereof.

8. All the clauses of this contract shall apply to any changes, additions, deviations, or additional work, so ordered by the Engineer, in like manner, and to the same extent as to the works contracted for.

9. If any change or deviation in or omission from the works be made by which the amount of work to be done shall be decreased, or if the whole or any portion of the works be dispensed with, no compensation shall be claimable by the Contractor for any loss of anticipated profits in respect thereof.

10. The Engineer shall be the sole judge of the work and material, in respect of both quality and quantity, and his decision on all questions in dispute with regard thereto, or as to the meaning or intention of this contract and as to the meaning or interpretation of the plans, drawings and specifications shall be final, and no work under this contract shall be deemed to have been performed, nor materials or things provided, so as to entitle the Contractor to payment therefor unless and until the Engineer is satisfied therewith, as evidence by his certificate in writing, which certificate shall be a condition precedent to the right of the Contractor to be paid therefor.

11. The work shall, in every particular, be under and subject to the control and supervision of the Engineer; and all orders, directions or instructions at any time given by the Engineer with respect thereto, or concerning the conduct thereof, shall by the Contractor promptly and efficiently be obeyed, performed and complied with, to the satisfaction of the Engineer.

12. The description, or descriptions of the work and materials or any portion or portions of the works, set out or referred to in or covered by any item or items for which a price or prices are given in this contract, include not only the particular kinds of materials mentioned in the said item or items, but also all and every kind of work, labour, tools, plant, materials, equipment, articles and things, whatsoever necessary for the full execution, completion and delivery, ready for use, of such respective portions of the works, in accordance with the plans, drawings and speci-

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cations, to the satisfaction of the Engineer. The said price or prices shall cover not only the particular descriptions of work and materials mentioned herein or in the specifications or plans, but also all and every kind of work, labour, tools, plant, materials, equipment, articles and things whatsoever necessary for the full execution, completion and delivery, ready for use, of the entire work as herein contracted for, to the satisfaction of the Engineer. In case of dispute as to what work, labour, tools, plant, materials, equipment, articles and things are so included or covered, the decision of the Engineer shall be final and conclusive with respect thereto.

13. A competent foreman shall be kept on the ground by the Contractor during all the working hours, to receive the orders of the Engineer. Such foreman shall be considered as the lawful representative of the Contractor, and shall have full power to carry out all requisitions and instructions of the said Engineer, but this clause shall not relieve the Contractor from the duty of personally superintending the work.

14. Should the Contractor use or employ, or intend to use or employ, any material, plant, tools, equipment, articles or things, which, in the opinion of the Engineer, are not in accordance with the provisions of this contract or are in any way unsuitable for the works, or any part thereof, or should the Engineer consider that any work is, for any reason, improperly, defectively, or insufficiently executed or performed, the Engineer may order the Contractor to remove the same, and to use and employ proper material, plant, tools, equipment, articles and things, or to properly re-execute and perform such work, as the case may be, and thereupon the Contractor shall immediately comply with such orders; and if the Contractor fails to comply with such orders within twenty-four hours the Engineer may, at any time thereafter, execute or cause to be executed the orders so given, and the Contractor shall, on demand, pay to His Majesty all costs, damages and expenses incurred in respect thereof, or occasioned to His Majesty by reason of the non-compliance by the Contractor with any such orders, or His Majesty may, in the discretion of the Minister, retain and deduct such costs, damages and expenses from any amounts then or thereafter payable to the Contractor.

15. All machinery, tools, plant, materials, equipment, articles and things whatsoever provided by the Contractor or by the Engineer under the provisions of sections 14 and 16, for the works, and not rejected under the provisions of section 14 shall, from the time of their being so provided, become, and until the final completion of the said work, shall be the property of His Majesty for the purposes of the said works, and the same shall on no account be taken away, or used, or disposed of, except for the purposes of the said works, without the consent in writing of the Engineer. His Majesty shall not, however, be answerable for any loss or damage whatsoever which may at any time happen to such machinery, tools, plant, materials, equipment, articles or things. Upon the completion of the works and upon payment by the Contractor of all such moneys, loss, costs and damages, if any, as shall be due from the Contractor to His Majesty, or chargeable against the Contractor under this contract, such of the said machinery, tools, plant, materials, equipment, articles and things as shall not have been used and converted in the works or disposed of by His Majesty under powers conferred in this contract, shall, upon demand, be delivered up to the Contractor in such condition as they may then be in.

16. If the Engineer shall at any time consider the number of workmen, horses, quantity of machinery, tools, plant or equipment, or of proper materials, articles or things, respectively, employed or provided by the Contractor on or for the said works to be insufficient for the advancement of such works or any part thereof towards completion within the time limited in respect thereof, or that the works are, or some part thereof, is not being carried on with due diligence, then, and in every such case, the Engineer may, in writing, order the Contractor to employ, or provide such addi-



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tional workmen, horses, machinery, tools, plant, equipment, materials, articles and things as the Engineer may think necessary, and in case the Contractor shall not within three days, or such other longer period as may be fixed by any such order, in all respects comply therewith, the Engineer may employ and provide such additional workmen, horses, machinery, tools, plant, equipment, materials, articles and things, respectively, as he may think proper, and may pay such additional workmen such wages, and for such additional horses, machinery, tools, plant, equipment, materials, articles and things, respectively, any such prices as he may think proper, and all such amounts so paid shall, on demand, be repaid to His Majesty by the Contractor, or the same may be retained or deducted from any sum that may then or thereafter be, or become due from His Majesty to the Contractor. The Contractor shall employ the additional workmen, horses, machinery, tools, plant, equipment, materials, articles and things so provided and employed by the Engineer in the diligent advancement of the works; the workmen and horses so provided shall, however, be thereafter subject to discharge by the Contractor, but only with the consent and approval of the Engineer.

17. His Majesty may, at any time, without payment therefor, send and employ on, in and about the works other contractors and workmen, with such horses, machinery, tools, plant, equipment, materials, articles, and things as the Engineer may deem necessary to do any work not comprised in this contract, and the Contractor shall afford to them all reasonable facilities, to the satisfaction of the Engineer, for doing such work, the work of the Contractor being interfered with as little as the Engineer may deem practicable.

The taking of possession of the whole or any part of the works of the Contractor for such purpose shall not be deemed an acceptance by or on behalf of His Majesty of the whole or any portion of the works comprised in this contract.

18. That whenever and so often as it may be necessary for the Contractor to co-operate with other contractors on this work, or any or either of them, the Contractor shall diligently and under the directions of the Engineer perform all such works as shall be requisite and proper on the part of the Contractor herein for such co-operation and for securing and placing in proper position the portion necessary herein and hereby contracted to be constructed and erected for the proposed work in a proper and secure mode, and to prevent the possibility of any accident therefrom without any extra charge therefor, and shall be bound in all things to conform to the direction of the Minister or the Engineer touching such co-operation and work.

19. In case the Contractor shall make default or delay in commencing, or in diligently executing any of the works or portions thereof to be performed, or that may be ordered under this contract, to the satisfaction of the Engineer, the Engineer may give a general notice to the Contractor requiring him to put an end to such default or delay, and should such default or delay continue for six days after such notice shall have been given by the Engineer to the Contractor, or should the Contractor make default in the completion of the works, or any portion thereof, within the time limited with respect thereto in or under this contract, or should the Contractor become insolvent, or abandon the work, or make an assignment of this contract without the consent required, or otherwise fail to observe and perform any of the provisions of this contract, then and in any of such cases, the Minister, for and on behalf of His Majesty, and without any further authorization, may take all the work out of the Contractor's hands and may employ such means as he, on His Majesty's behalf, may see fit to complete the works, and in such case the Contractor shall have no claim for any further payment in respect of work performed, but shall be chargeable with, and shall remain liable for all loss and damage which may be suffered by His Majesty by reason of such default or delay, or the non-completion by the Contractor of the



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works, and no objection or claim shall be raised or made by the Contractor by reason, or on account of the ultimate cost of the works so taken over, for any reason proving greater than, in the opinion of the Contractor, it should have been; and all materials, articles and things whatsoever, and all horses, machinery, tools, plant and equipment, and all rights, proprietary or otherwise, licenses, powers, and privileges, whether relating to or affecting real estate or personal property, acquired, possessed or provided by the Contractor for the purposes of the work, or by the Engineer under the provisions of this contract shall remain and be the property of His Majesty for all purposes incidental to the completion of the works, and may be used, exercised and enjoyed by His Majesty as fully to all intents and purposes connected with the works as they might therefor have been used, exercised and enjoyed by the Contractor; and the Minister may also, at his option, on behalf of His Majesty, sell or otherwise dispose of, at forced sale prices, or at public auction or private sale, or otherwise, the whole or any portion or number of such materials, articles, things, horses, machinery, tools, plant and equipment at such price or prices as he may see fit, and detain the proceeds of any such sale or disposition and all other amounts then or thereafter due by His Majesty to the Contractor on account of, or in part satisfaction of any loss or damage which His Majesty may sustain or have sustained by reason aforesaid.

20. Whenever in this contract power or authority is given to His Majesty, the Minister, the Engineer or any person on behalf of His Majesty, to take any action consequent upon the insolvency of the Contractor, or upon the acts, defaults, neglects, delays, breaches, non-observance or non-performance by the Contractor in respect of the works or any portion or details thereof, such powers or authorities may be exercised from time to time, and not only in the event of the happening of such contingencies before the time limited in this contract for the completion of the works but also in the event of the same happening after the time so limited in the case of the Contractor being permitted to further proceed with the execution of the works:

Provided always that after the expiration of the time limited for the completion of the works the Minister shall be sole judge as to what additional time, if any, may be allowed to the Contractor for such completion, and his decision as to the reasonableness or sufficiency thereof for the purpose of completion shall be final and binding upon the Contractor.

21. The Contractor shall be at the risk of, and shall bear all loss of damage whatsoever, from whatsoever cause arising, which may occur to the works, or any part thereof, until the same be finally accepted by the Minister, and if any such loss or damage occur before such final acceptance, the Contractor shall immediately, at his own expense, repair, restore and re-execute the work so damaged, so that the whole works, or the respective portions thereof, shall be completed within the time limited for completion thereof, and any delay occasioned by the Contractor to the other contractors on the work or any interference by the Contractor with the operation which may be a cause of delay or damage shall be rectified at the cost of, and the claim for damage or delay (if any) shall be at the charge of the Contractor.

22. The Contractor shall, to the satisfaction of the Engineer, rectify any defects in the works or which may appear therein, or of which he shall receive notice from the Engineer, and for which he may have been responsible in the opinion of the Engineer during the period of thirty days after the date of final certificate of the completion of the work.

23. The Contractor, his agents and all workmen and persons employed by him, or under his control, shall use due care that no person or property is injured and that no rights are infringed in the prosecution of the work, and the Contractor shall be solely responsible for all damages, by whomsoever claimable, in respect of any injury to persons or to lands, buildings, structures, fences, trees, crops, roads, ways, ships,

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or property of whatever description, and in respect of any infringement of any right, privilege or easement whatsoever, occasioned in the carrying on of the works or any part thereof, or by any neglect, misfeasance or nonfeasance on the Contractor's part or on the part of any of his agents, workmen or persons employed by him or under his control, and shall, at his own expense, make such temporary provisions as may be necessary to ensure the avoidance of any such damage, injury or infringement, and to prevent the interruption of or danger or menace to the traffic on any public or private road, and to secure to all persons and corporations the uninterrupted enjoyment of all their rights, in and during the performance of the said works; and the Contractor shall indemnify and save harmless His Majesty from and against all claims and demands, loss, costs, damages, actions, suits or other proceedings by whomsoever made, brought or prosecuted in any manner based upon, occasioned by, or attributable to any such damage, injury or infringement.

24. The Contractor shall, upon the completion of the works, remove all temporary structures and clear away all rubbish and surplus and waste materials remaining on or about the works, and place the premises in a neat and tidy condition, satisfactory to the Engineer.

25. The Contractor shall, at his own expense, take special precautions to prevent fire occurring in or about the works, and employ his own workmen to the satisfaction and under the direction of the Engineer, in extinguishing all such fires which may occur; and shall observe and comply with all laws and regulations in force respecting fires, and with all regulations and instructions made and given, from time to time during construction, by the Engineer with respect to fires and the prevention and extinguishing of fires, and shall pay all wages and other outlay occasioned by reason of the observance or compliance with such regulations and instructions.

26. The Contractor shall also, at his own expense, at all times during construction and until the final acceptance of the works, keep all buildings and structures insured against loss by fire, in such insurance company or companies and in such amount or amounts as may be approved of by the Engineer, and the policies of such insurance shall be made payable as the interests of the Contractor and His Majesty may, respectively appear, and shall be deposited with the Engineer.

27. The Contractor shall not assign or sublet this contract without the written consent of the Minister first obtained: Provided, however, that (unless, in any case, the Minister objects thereto) the Contractor may sublet such portions of the work herein contracted for as is customary and usual in the construction of such works, but His Majesty shall not in any way be held liable for the payment of any moneys due to any sub-contractor, and the Contractor shall be held responsible for the proper performance of every portion of the work herein contracted for.

28. Pursuant to the provisions of the Statute in such case made and provided, no Member of the House of Commons of Canada shall be admitted to any share or part of this contract, or to any benefit to arise therefrom.

29. The Contractor shall not allow any public ceremony in connection with the work without having previously obtained the written permission of the Minister.

30. No work whatever shall at any time or place be carried on during Sunday, and the Contractor shall take all necessary steps for preventing any foreman or agent or men from working or employing others on that day.

31. The Contractor shall promptly pay for all labour, services and materials in or about the construction of the works, and all payments for such purposes shall be made by the Contractor, at least as often as payments are made to the Contractor by His Majesty under this contract, and in the event of failure by the Contractor at

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any time so to do, or if any sum due for labour of any foreman or workman, or for hire of horses, teams or carts upon or in respect of the works, or any part thereof, remains in arrear or unpaid, or if there be at any time found to exist any claims against the Contractor, or any sub-contractor, for labour, teams, tools, plant, equipment, materials, articles or things employed, hired or supplied upon or for the works or any part thereof, or if the Minister has reason to believe that any such payments, sums or claims will not be promptly made or paid, the Minister may, in addition to or in lieu of exercising any powers conferred by the Fair Wages Clauses, at his option, retain out of any moneys due or to become due to the Contractor from His Majesty such amount or amounts as the Minister may deem sufficient to satisfy the same, or pay the Contractor the moneys due him in instalments, giving him from time to time such sums as the Minister or the Engineer deems sufficient to meet such payments, sums or claims or any of them, and withholding the balance until the same are satisfied, or may pay all or any of such payments, sums or claims, rendering to the Contractor the balance due him after deducting the payments so made. The Contractor shall be estopped from denying the accuracy and correctness of any and all payments so made by the Minister.

The Contractor's pay-rolls, time-books, books of account, invoices and statements shall at all times be open for inspection and extract by the Engineer and any authorized representative of the Minister, or either of them, who shall be assisted in every possible way by the Contractor, to enable the Engineer and such representative to ascertain, as far as possible, the exact payment, sums or claims so due and remaining unpaid by the Contractor.

32. Before making any payment on any progress or final estimate the Minister may require the Contractor to satisfy the Engineer, or other authorized representative of His Majesty, that all work performed and materials supplied and all structures built for which payment is being made are free and clear from all lawful claims or liens under any law for labour, workmanship, materials or otherwise; the Contractor shall indemnify and hold harmless His Majesty from and against any and all kinds of claims or liens accruing from labour and services performed and material furnished, or otherwise, and any of the same in or about the works.

33. The Contractor shall comply with, and the works shall be carried on subject to all regulations made by any lawful authority and applicable to said works, and all orders given by the Engineer with respect to sanitation or preservation of health on the works. The Contractor shall, at his own expense, make adequate arrangements, to the satisfaction of the Engineer, for the medical and sanitary supervision of all his employees.

34. The Contractor shall protect, and shall not remove or destroy, or permit to be removed or destroyed, the stakes, buoys and other marks placed on or about the said works by the Engineer or his assistants, and shall furnish the necessary assistance to correct or replace any stake, buoy or mark which through any cause may have been removed or destroyed.

35. Any notice, order, direction or other communication given to the Contractor under the provisions of this contract shall be sufficiently given if delivered to the Contractor personally, or to his foreman, or left at the Contractor's office, or mailed at any post office to the Contractor or foreman, addressed to the address mentioned in this contract, or to the Contractor's last known place of business or residence. Every such notice, order, direction or communication shall be sufficient which expresses in general language and without detail the matters required or communicated, or which follows the general language of the section or sections of this contract under which it is given, and no objection shall be taken to the form thereof.



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36. His Majesty, in consideration of the premises, and subject to the performance and observance on the part of the Contractor of all the covenants, provisos and conditions in this contract contained, will pay to the Contractor for and in respect of the works in manner hereinafter stated, the following prices, viz.:—

No.	Description of Work.	Unit of Measure.	Rate per unit.	Approximate quantities.
1	Earth excavation measured in place.....	cu. yd.	\$ 0 52	47,600
2	Rock excavation measured in place.....	"	9 10	4,300
3	Stone in rubble mound. ....	tons.	0 94	272,200
4	Broken stone in rubble mound .....	cu. yd.	3 90	7,500
5	Concrete for cribs in place including moulds and cement wash but not including reinforcing steel.....	"	11 25	66,465
6	Steel reinforcing bars in place .....	tons.	78 00	4,334
7	Filling for cribs. ....	cu. yd.	0 52	161,055
8	Concrete for superstructure in place.....	"	9 30	17,981
9	Granolithic concrete in place.....	"	20 80	1,000
10	Filling between concrete walls and at back of bulkheads..	"	0 45	1,094,000
11	Broken stone and gravel top finish.....	"	2 60	10,000
12	Walling pieces in place including bolts and washers .....	lin. ft.	0 52	9,000
13	Bollards and anchor bolts in place .....	tons.	104 00	140
14	Ladders, in place .....	each.	65 00	10

And for any work or additional work done, or materials or things provided, under the written orders of the Engineer, for which no price or prices are named herein, His Majesty, in consideration and subject, as aforesaid, will pay to the Contractor the actual and reasonable cost, as determined by the Engineer, of such work, materials and things, with an additional ten per cent thereon for the use of tools, Contractor's plant, superintendence and profits.

37. The quantities (if any) given are approximate only and no claim shall be made by the Contractor against His Majesty on account of any excess or deficiency, absolute or relative, in the same.

38. The said price or prices shall be accepted by the Contractor as full compensation for everything furnished and done by the Contractor under this contract, including all work required but not included in the items hereinabove mentioned, and also for all loss or damage arising out of the nature of the works or the action of the weather, tides, elements, or any unforeseen obstruction or difficulty encountered in the prosecution of the work, and for all risks of every description connected with the works, and for all expenses incurred by or in connection with the works; and for all works, and for all expenses incurred by or in consequence of any delay or suspension or discontinuance of the work as herein specified, and for well and faithfully completing the works as in this contract provided.

39. Cash payments equal to about ninety per cent of the value of the work done, approximately estimated from progress measurements, and computed at the price or prices agreed upon or determined under the provisions of this contract, will be made to the Contractor monthly, if practicable, on the written certificate of the Engineer, stating that the work for, or on account of which, the certificate is granted has been done, and stating the value of such work computed as above mentioned; and the said certificate shall be a condition precedent to the right of the Contractor to be paid the said ninety per cent or any part thereof. The remaining ten per cent shall be retained till the final completion of the whole work to the satisfaction of the Engineer, and will be paid within two months after such completion. The written certificate of the said Engineer certifying to the final completion of the said works to his satisfaction,



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shall be a condition precedent to the right of the Contractor to receive or to be paid the remaining ten per cent, or any part thereof.

40. Provided always that, where in the opinion of the Engineer, the work done is not sufficiently finished, or is not of sufficient value to justify payment at the price or prices agreed upon or determined under the provisions of this contract, the Engineer may, for the purpose of such payment, disregard the price or prices agreed upon or determined, and may estimate the proportionate value payable in respect of such work, and issue a certificate accordingly; in which case the Contractor shall only be entitled to receive ninety per cent of such estimated proportionate value as stated in such certificate, and shall not be paid the ninety per cent of the price or prices agreed upon or determined under the provisions of this contract, until such time as the Engineer, by reason of the performance of additional work, shall certify that the Contractor is entitled thereto.

41. It is intended that every allowance to which the Contractor is fairly entitled will be embraced in the Engineer's monthly certificate, and should the Contractor at any time have claims of any description which he considers are not included in the progress certificates, such claims must be made in writing to the Engineer within thirty days after the date of the delivery to him of the certificate from which he considers the items of such claims to have been omitted, but in no case beyond the period of sixty days from the date of the practical completion of that portion of the work to which such claims apply. And in default of the presentation of such claims within the time or times so limited the Minister may treat such claims as absolutely barred.

42. The Contractor in presenting claims of the kind referred to in the last preceding clause must accompany them with satisfactory evidence of their accuracy and the reason why he thinks they should be allowed.

43. The progress measurements and progress certificates shall not in any respect be taken as binding upon the Engineer, or as final measurements or as fixing final amounts; they are to be subject to the revision of the Engineer in making up his final certificate, and they shall not in any respect be taken as an acceptance of the work as a release of the Contractor from responsibility in respect thereof.

44. The Contractor shall not have, nor make any claim or demand, nor bring any action or suit or petition against His Majesty for any damage which he may sustain by reason of any delay or delays, from whatever cause arising in the progress of the work.

45. It is distinctly declared that no implied contract of any kind whatsoever by or on behalf of His Majesty, shall arise or be implied from anything in this contract contained, or from any position or situation of the parties at any time, it being clearly understood and agreed that the express contracts, covenants and agreements herein contained and made by His Majesty, are and shall be the only contracts, covenants, and agreements upon which any rights against His Majesty are to be founded.

46. Should the amount voted by Parliament and applicable towards payment for the work hereby contracted for, be at any time expended previous to the completion of the works the Minister or the Engineer may give the Contractor written notice to that effect. And upon receiving such notice the Contractor may, if he think fit, stop the work, but in any case shall not be entitled to any payment for work done beyond the amount voted and applicable as aforesaid unless and until the necessary funds shall have been voted by Parliament in that behalf. And in no event shall the Contractor have or make any claim on His Majesty for any damages or compensation by reason of the suspension of payment, or by reason of any delay or loss caused by the stoppage of work. And in the event of the Contractor electing to proceed, or proceeding with such work after such notice, and before such additional funds are voted, no action

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of the Engineer or of any other person on behalf of His Majesty, in giving orders, instructions and directions, or otherwise acting with respect to such work, shall be taken or considered as in any manner improving the rights of the Contractor or as waiving in any particular any of the provisions of this section.

47. The Minister may, from time to time and for such period as he may deem expedient, delay or suspend, in whole or in part, operations under this contract, either upon the whole of the works, or at any particular point or points. Should any such delay or suspension, or the stoppage of the works under the last preceding clause of this contract, or should any delay caused by any circumstance which, in the opinion of the Engineer, is beyond the control of, or not the fault of, the Contractor in the opinion of the Minister unreasonably limit the time for the completion of the works, within the time specified by this contract, the Minister as often as the case occurs shall allow such additional time, as to him may seem sufficient, in the extension of such time for completion; but no such delay, suspension or stoppage shall vitiate or avoid this contract, or any part thereof, or any security or obligation for the performance thereof, nor shall the Contractor be entitled to make any claim for damages by reason thereof. Upon the termination of such delay, suspension or stoppage, or upon the removal of the cause thereof, or upon the Contractor receiving notice from the Minister or Engineer requiring him to resume the work, he shall at once resume operations and diligently carry on the same.

48. The Contractor shall not bring nor permit to be brought anywhere on or, as far as the Contractor can prevent the same, near the works any spirituous or intoxicating liquor; and if any person employed on the works be, in the opinion of the Engineer, intemperate, disorderly, incompetent, wilfully negligent or dishonest in the performance of his duties, he shall, on the direction of the Engineer, be forthwith discharged and the Contractor shall not employ, or permit to remain on the work any person who shall have been discharged for any or all of said causes.

49. All orders, directions, instructions or notices to be given or issued by the Engineer, under and pursuant to any section in this contract, may be given or issued by a duly and expressly authorized agent or agents of the Engineer.

50. Any extension of time that may be granted to the Contractor shall be so granted and accepted without prejudice to any rights of His Majesty whatsoever, under this contract, and no assent thereto on the part of the Contractor shall be necessary.

51. The Contractor hereby and herewith deposits with and delivers to His Majesty as security for the due fulfilment of his contract the sum of one hundred and forty-five thousand dollars (\$145,000) and more particularly described as follows viz:—an accepted cheque for the above named sum, dated Ottawa, January 8, 1914, drawn on the Bank of Montreal, signed by Grant, Smith Co. & McDonnell, Ltd., by Angus McDonnell Vice-Pres. and made payable to the order of the Honourable Minister of Public Works upon the express understanding that the same shall be held and retained by His Majesty as security for the due and faithful performance, observance and fulfilment by the Contractor of all the covenants, provisos, agreements, conditions and reservations in this contract contained, on the part of the Contractor to be observed, performed and complied with. Provided always and it is understood and agreed that the Contractor assumes the risk and must bear any loss in respect of the security deposited as aforesaid occasioned by the failure or insolvency of the banks on which any cheque was drawn or in which any deposit was made in connection with the security aforesaid.

52. If at any time hereafter the said Contractor should make default under the said contract, or if His Majesty acting under the powers reserved in the said contract,

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shall determine that the said works, or any portion thereof remaining to be done, should be taken out of the hands of the Contractor, and be completed in any other manner or way whatsoever than by the Contractor, or if the Contractor refuse or neglect to pay any salaries or wages or any accounts for materials due by the said Contractor for work done or materials supplied by any person in connection with the said work, His Majesty may, in either case, dispose of said security and of the interest which may have accrued thereon for the carrying out of the construction and completion of the work of the contract, or for paying any salaries or wages for work done, or any accounts for materials supplied for the said works that may be left unpaid by the said Contractor.

53. Upon the due and faithful performance, observance and fulfilment by the Contractor of all and every the terms, provisions, covenants, agreements, conditions and reservations hereinbefore contained, on the part of the Contractor to be observed, performed and complied with, the Contractor shall be entitled to be repaid or to receive again the money so deposited, together with so much interest upon such money as His Majesty may, during his retention or possession of the same actually receive by reason thereof; it being, however, understood that His Majesty shall not be under any obligation to cause the said money to be placed at interest, or to earn, or to endeavour to earn, interest thereon.

54. In the event of any breach, default, or non-performance being made or suffered by the Contractor in, or in respect of any of the terms or conditions, covenants, provisos, agreements, or restrictions herein contained, which on the part of the said Contractor should be observed, performed or complied with, the said money, and interest thereon, so delivered to or deposited with His Majesty, or by him received in respect thereof, shall, by the Contractor, be forfeited absolutely to His Majesty.

55. No condoning, excusing, or overlooking by His Majesty, or any person acting on His behalf, on previous occasions, of breaches or defaults similar to that for which any action is taken or power exercised, or forfeiture is claimed or enforced against the Contractor, shall be taken to operate as a waiver of any provision of this contract, nor to defeat or prejudice in any way the right of His Majesty hereunder.

56. This contract is made and entered into by the Contractor and His Majesty on the distinct understanding that the Contractor has, before execution, investigated and satisfied himself of everything and of every condition affecting the works to be executed and the labour and material to be provided, and that the execution of this contract by the Contractor is founded and based upon his own examination, knowledge, information and judgment, and not upon any statement, representation, or information made or given by, or upon any information derived from any quantities, dimensions, tests, specifications, plans, maps or profiles made, given or furnished by His Majesty or any of His officers, employees or agents; and that any such statements, representation or information, if so made, given or furnished, was made, given or furnished merely for the general information of bidders and is not in anywise warranted or guaranteed by or on behalf of His Majesty; and that no extra allowance will be made to the Contractor by, and the Contractor will make no claim against, His Majesty for any loss or damage sustained in consequence of, or by reason of any such statement, representation or information being incorrect or inaccurate, or on account of unforeseen difficulties of any kind.

57. In the event of any inconsistency between the provisions of this contract and the provisions of the specifications forming part hereof, the provisions of the specifications shall prevail.

58. The Contractor shall comply with and be subject to all terms, stipulations and conditions contained in the following fair wages clauses:—



(1.) No labourers shall be employed on or about the works hereby contracted for who are not citizens or residents of Canada, but the Minister may, in writing, waive the provisions of this clause, either in general or to a limited extent, should he deem it expedient to do so.

(2.) The minimum rate of wages to be paid by the Contractor for the labour of any employee, or the minimum rate of hire for any team, employed in or about the works, shall be at the rate specified in the Fair Wages Schedule hereto annexed for the same or similar class of labour as that in which such employee is engaged, or for the hire of teams respectively.

(3.) The number of working hours for employees in the day or week shall be in accordance with such statute or statutes of Canada as may now or hereafter be passed, and if there is no such statute then in accordance with the custom of the same or similar trades or classes of labour in the district where the work is being carried on—to be determined, in case of dispute, by the Minister; and no employee shall be required to work for longer hours except for the protection of life or property, or in case of other emergencies, when the necessity therefor is confirmed by the Engineer.

(4.) In case any labour is required in or about the works for which, in the opinion of the Engineer, no rate is fixed in the said schedule, the Engineer, or other officer authorized by him, may fix the minimum rate of wages payable in respect thereof, which shall not be less than the rate of wages generally accepted as current for competent workmen in the same or similar trades or classes of labour in the district where the work is being carried on.

(5.) The said Contractor further agrees and binds himself to pay to the workmen engaged in the said work such rates of wages as are generally accepted as current from time to time during the continuance of the contract for competent workmen in the district where the work is to be carried on, and if there are no current rates of wages in the district, then fair and reasonable rates; in the event of a dispute arising as to what is the current or a fair and reasonable rate of wages for any of the classes of labour required, it shall be determined by the Minister of Labour, whose decision shall be final.

(6.) The Contractor shall not be entitled to any payments under the contract in respect of work and labour performed until he has filed in the office of the Engineer a statement, in duplicate, showing the rate of wages by him paid for the various classes of labour, and the hire of teams, employed in or about the work, and, if any amounts should then be due and unpaid in respect of such wages or hire, showing in detail the names of the unpaid employees, the class of employment, rate of wages, and the amounts due to each; nor shall the Contractor be entitled to any payments under this contract in respect of materials or other things supplied, for use in or upon the works, until he has filed in the office of the Engineer a statement, in duplicate, showing the prices and quantities of all such materials or things, and if any amounts should then be due and unpaid in respect thereof, showing in detail the names of the unpaid vendors, the quantities, prices, and the amounts due to each, such statements shall be attested, in duplicate, by the statutory declaration of the Contractor, or of such person on behalf of the Contractor as the Minister may approve.

(7.) The Minister, or the Engineer, may, as a further condition to such payment, at any time require the Contractor to furnish such further or other detailed information as may be necessary to establish to their satisfaction the compliance by the Contractor with the conditions of this contract.

(8.) Should the Contractor fail to adhere in every particular to the Fair Wages Schedule hereto annexed, or permit any wages or amounts payable for the hire of teams to become or remain in arrears or unpaid or fail to pay any accounts for material or other things supplied for the works, the Engineer may give notice in



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writing requiring the Contractor to adhere to such schedule, or to pay such wages, or for such hire of teams, or for such materials or other things, as the case may be. Should the Contractor fail for the period of forty-eight hours after the giving of such notice to comply with the terms thereof, the Minister may make such payments as shall be sufficient to effect an adherence with such schedule, or other settlement or discharge of such arrears, or indebtedness for hire or materials or things supplied, and the Contractor, in the event of any such payments being made after notice and default, as aforesaid, shall be stopped from setting up, as against His Majesty, the accuracy of any amounts so paid, or the existence or extent of any such indebtedness, and all amounts so paid shall be repaid at once by the Contractor, or may be deducted from any amounts then or thereafter due by His Majesty to the Contractor.

(9.) The Minister, or the Engineer may, in their discretion, at any time require proof, with such formalities or to such extent as they may deem requisite, of any claim under the said Fair Wages Schedule, or for wages or hire of teams in arrears or of accounts for materials, or other things unpaid.

(10.) The Contractor shall post and keep posted in a conspicuous place on the works under construction the said Fair Wages Schedule for the protection of the workmen employed, and also keep a proper record of all payments made to workmen in his employ, and the books and documents containing such record shall be open for inspection by the fair wages officers of His Majesty at any time that it may seem expedient to the Minister of Labour of Canada to have the same inspected.

IN WITNESS whereof the Contractor has executed these presents, and these presents have been signed on behalf of His Majesty by the Minister, countersigned by the Secretary of the Department of Public Works, and the seal of the said Department has been hereto affixed the day and year above written.

Signed, sealed and delivered by the Contractor, in the presence of:

(Signed)

NORMAN S. ROSS.

(Signed)

GRANT, SMITH & CO. & McDONNELL,  
Ltd. (L.S.)

By GRANT SMITH,  
*President.*

[Seal.]

Signed, sealed and delivered by His Majesty, in manner aforesaid, in presence of:

(Signed)

J. A. CHASSE.  
*Law Clerk.*

[Seal.]

(Signed)

J. B. HUNTER,  
*Deputy Minister of Public Works.*

(Signed)

R. C. DESROCHERS,  
*Secretary.*

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## HOUSE OF COMMONS,

COMMITTEE ROOM No. 301,

WEDNESDAY, April 12, 1916.

The Select Standing Committee on Public Accounts met at 10 o'clock, a.m., the Chairman, Mr. Middlebro, presiding, and resumed consideration of certain payments to Grant, Smith & Co. and Macdonnell, Limited, in connection with dredging at Victoria, B.C.

Mr. CARVELL: Mr. Chairman, before we proceed I have a very serious complaint to make against somebody or some number of bodies. At the last sitting of the Committee I asked to have the plans which Mr. Maclachlan put in evidence, left here so that I could get some engineers to go over them and figure on them. I only returned to the city this morning, and I am told these plans were not available yesterday, that they were taken away, so that we were unable to get them. This will retard the examination. It puts us in the position in which we are unable to continue the cross-examination of Mr. Maclachlan.

Mr. PRINGLE, K.C.: I was not aware that the plans had been taken away until yesterday when I called up Mr. Cauchon a very reputable engineer here to see if he could make some calculations on them. He was engaged on a commission and he recommended to us a competent firm of engineers, one of whom he said had had very large experience in dredging works. I had the same idea that you had, that we should get an absolutely independent man who could take these quantities off the plans. I then got Mr. Patterson to come to my office. I got these plans and I put them before him and Mr. Patterson is now working upon them and will be ready with them by the time you reach Mr. Maclachlan.

Mr. CARVELL: That does not satisfy me for one moment. I do not want Mr. Patterson or any other man to take out the quantities. I want the engineers of the Department who are paid to do that work to do it.

The CHAIRMAN: What you complain of, Mr. Carvell, is that these plans were taken away from here?

Mr. CARVELL: Certainly. I do not propose to take the evidence of some engineer that Mr. Pringle may bring here and accept that absolutely.

The CHAIRMAN: What Mr. Carvell complains of is the fact that the plans were not here available for use when required.

Mr. PRINGLE, K.C.: The first I knew about it was yesterday when Mr. Howe telephoned me to see Mr. Maclachlan and get these plans. I did not know he had taken them out at all, up to that time. I might say that Mr. Carvell himself asked Mr. Maclachlan to make certain computations, and he had to come up here and get the plans in order to make those computations.

Mr. CARVELL: That was no reason why he should take these plans away. There is plenty of room here for him to make his computations. I do not understand how the Clerk of the Committee came to allow those plans to be taken away.

The CLERK: They were taken away that night.

The CHAIRMAN: Were they delivered to the Committee.

Mr. CARVELL: Certainly.

Mr. PRINGLE, K.C.: Oh, yes, I put the plans in.

The CHAIRMAN: Then they should not have been taken away.

Mr. PRINGLE, K.C.: The computations have been made, as Mr. Carvell desired, and that was the object in taking them away.

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The examination of Mr. A. F. WOOLLEY, resumed.

The CHAIRMAN: You are already sworn, Mr. Woolley?

*By Mr. Pringle, K.C.:*

Q. Mr. Woolley, in looking at the report of Mr. St. Laurent, which is fyled, I find there was an error of 8,760 cubic yards of rock which had been discovered by him in this way: the original estimate of rock was 4,300 yards?—A. That is correct.

Q. Mr. St. Laurent found that certain areas had not been included in the estimate, and that by including these areas of solid rock it would bring the total quantity up to 13,060 yards, which would make a difference of 8,760. That is of solid rock which had not been taken into consideration at the time of calling for tenders. Now then in his report he refers to that in this way and says:

“By a careful examination of the plans and test borings, I find that the quantity of rock was very much under estimated. The quantities were not taken on lines quite in accordance with the construction plans. The error found, however, does not account for the whole of the excess of rock returned.

“By referring to the annexed descriptive plan, it will be seen that, for some unexplained reason, areas at both ends of the bulkheads were left out, and at the point marked “A” occurs the heaviest rock section.”

Now at the point marked “A” on the plan which is attached to his report, is that the heaviest rock section?—A. Yes.

Q. And that had been left out entirely?

Mr. CARVELL: I would like to have a little better understanding of that, because I confess I am a little in the dark. I never quite understood it, and at the time Mr. St. Laurent was under examination it was not probably considered of as much importance as it is now. I did not understand from Mr. St. Laurent whether all the portions marked green on that plan should have been marked as rock and were not, or whether it was only a portion of those portions marked green. I think it might be well if we had that understood now.

Mr. PRINGLE, K.C.: All I can say is that his report refers to these portions as having been left out.

Mr. CARVELL: Then are you examining this witness on the assumption that all the portions marked green on that plan were left out?

The CHAIRMAN: It says here: “Areas left out of original estimate shown green.”

Mr. CARVELL: Is that the understanding, Mr. St. Laurent?

Mr. ST. LAURENT: All that portion marked green with shaded lines indicate the areas where rock was struck, and where rock was left out of the calculations on the plan.

Mr. CARVELL: Then all those portions on this plan marked green, or shaded green were included by you in your estimate as rock, and not included in the original estimate?

Mr. ST. LAURENT: In the rock area, I mean, all this is not rock, there is some material on top, but it is the rock area.

Mr. PRINGLE, K.C.: If I might be permitted, it is all clearly shown in Mr. St. Laurent's report. He says: “By referring to the annexed descriptive plan, it will be seen that, for some unexplained reason——”

Mr. CARVELL: I just wanted that understood.

The CHAIRMAN: This accounts for the difference between 4,300 yards and 13,000 yards.

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Mr. CARVELL: I am afraid there will have to be a lot more figuring done if that is the case, and a lot more revision.

Mr. PRINGLE, K.C.: At the inception of this work there apparently was an error of 8,760 yards.

Mr. CARVELL: That is what the engineers say.

Mr. PRINGLE: That is, without considering any hard material other than rock.

*By Mr. Pringle:*

Q. Now then, there are certain points in this report that I want to see whether you agree with Mr. St. Laurent on, and there are certain other points I want to bring to your attention. On page 12, Mr. St. Laurent says: "It is therefore a matter of great difficulty to render a direct and positive judgment in the case, not having had the advantage of seeing the drilling and excavation under way within the area of the contract." Do you agree with that?—A. I would.

Q. (Reads.) "For various reasons, and to clear the matter to the best of my knowledge under conditions prevailing at the works, I have made several assumptions as to the possible causes of the large increase in the quantity of rock, which I think cover every contingency." Now the first assumption he deals with is this: "Possibility of the Government inspectors and engineers being lax in their duties and favouring unduly the contractors by allowing material at rock price which should be classified as earth." And he says: "After the most careful inspection of the office records, discussion with the engineer and inspectors. I must absolutely reject any suggestion of collusion or dishonesty." What do you say: Was there any collusion between the sub-contractors and the engineer as claimed in Mr. Mallory's evidence?—A. None between my company; I can only answer for my own.

Q. Mr. Mallory in his evidence has made this broad statement. He was asked this question:—

"Q. What about the sub-contractors, did they look on this as a sort of manna from heaven or did they evince any surprise in having so much more rock than they had drilled?—A. I think it was a general frame up. The sub-contractors had the benefit of it because there was a margin between McDonald's price and what he allowed the sub-contractors. For every yard of rock that McPhee blasted and the Pacific Dredging Company dredged, he got \$1.95."

Now, is there anything in his suggestion that there was a frame-up in any way between the sub-contractors?—A. Absolutely untrue so far as our side is concerned, and our firm is concerned, in every way. I am quite convinced that Mr. Mallory and Mr. McDonald both knew very well—McDonald did of course and Mallory undoubtedly did—for this reason: Mallory was present with McDonald when we dickered for the price, and it is a matter of record that C. E. McDonald refused to accept my price over there that night, and followed me back over to Vancouver, two days or so after, and we made an agreement for \$4. per yard for the drilling and shooting, and pending the drawing up of the final, or memo, contract between us, McDonald gave us a letter which we dictated, stating the price per yard we were to get, and how we were to break the rock, that it was to go through a 4-yard dipper. I dictated the letter myself, McDonald signed it, and our president, Mr. J. G. McFee, signed it, pending the final drawing up of the contract. That was about the 23rd or 25th of June, 1915.

Q. Have you got the letter here?—A. I will, sir, in just a moment.

Q. All right, produce the letter.—A. About the 13th July McDonald signed a contract with us, in which the price per yard was as named in the letter, and is in the letter, naming the approximate quantity of expected rock excavation as 40,000 cubic yards.

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*By Mr. Carvell:*

Q. He was modest, was he not?—A. It was a fact, and is a fact, too.

Q. His modesty is exceeded by nothing that I know of.—A. I did not think there was that much either.

Q. There was only 60,000 cubic yards altogether, that was the total quantity of the work.—A. (Letter produced) I think McDonald has a copy of this.

*By Mr. Pringle, K.C.:*

Q. We can put the copy in?—A. You can put that in and let us have this original back. Here is the letter from McDonald between this date, between June 23 and July 13, we also made up a form of contract and sent it down to me to be signed.

Mr. CARVELL: Mr. Chairman, I wonder if we could not have McDonald's contract at the same time?

The WITNESS: I am submitting it.

Mr. CARVELL: No, McDonald's copy of this same contract.

Mr. PRINGLE, K.C.: Yes, we have it. (Looks among documents) It does not appear to be among those he left. Do you want this original to go on file?

Mr. CARVELL: I would rather have McDonald's original go on file.

*By Mr. Pringle, K.C.:*

Q.—At any rate, this letter was signed by C. E. McDonald, June 23, 1915, and is as follows: (reads)

VANCOUVER, B.C., June 23, 1915.

Mr. J. G. McFEE,

Vancouver, B.C.

DEAR SIR,—I will pay Four Dollars (\$4.00) a yard to you for drilling and shooting rock that I have under contract in Victoria Harbour, approximating forty thousand (40,000) cubic yards. Rock to be broken so it can be handled by a four yard dipper dredge.

Yours truly,

C. E. McDONALD.

Prior to entering into negotiations with McDonald for the removal of this rock, had you made an estimate of the quantity?—A. Yes.

Q. What did you estimate the quantity of rock under that contract?—A. I considered it being an indefinite amount, somewhere between 35,000 as a minimum and 45,000 as a maximum.

Q. Wasn't Mr. Mallory present at the time that letter was written?—A. No, sir.

Q. Did Mr. Mallory make any representations to you as to the quantity of rock?—A. Mallory tried to make me believe and insisted there was something like 45,000 or 47,000 yards, but I understood he was trying to pull me on to the thing and I did not bite very much on that.

Q. You did enter into a contract on the 13th July, 1915, for the removal of this material, this rock, at \$4 a yard, just as stated in that letter?—A. We did.

Q. Now, let us proceed a little farther with Mr. St. Laurent's report. I have already referred to his rejecting any suggestion of collusion or dishonesty, and you say there was no collusion, at least on your part?—A. There was not, and is not yet.

Q. Mr. St. Laurent says in his report (reads):—

“When the new location was decided it would have been extremely desirable to supplement the tests made originally by closer borings, before final completion of construction plans, to permit of a more complete knowledge of the subsoil and a more accurate estimate of the rock to be excavated. These

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tests take time and money, but they are absolutely necessary for a complete study when important works are involved."

You agree with that?—A. I do.

Q. Then he says (reads):—

"Under these circumstances there is no possibility of making a very accurate estimate of submarine rock work covered with other materials. At best, even with tests, say every ten or twenty feet apart, as the case may require, the estimates retain an element of uncertainty."

You agree with that?—A. I do.

Q. Even with tests 10 or 20 feet apart there is still an element of uncertainty?—

A. There is still some element of uncertainty.

Q. I will pass over the quantities, that having been already disposed of. Then he goes on to say (reads):—

"For this reason, convinced of the sincerity of the engineer in his decision regarding classification, whether right or wrong, I considered it only fair to give him an opportunity to make a full written statement regarding the matter, and I wrote him the following letter with this end in view."

In that letter he makes this reference. (Reads):—

"Under the actual conditions of the work at present, the excavation having been completed, it is quite impossible to give the conclusive evidence which is required of me from tests made outside of the areas covered by the work, which at best can only give crude and perhaps misleading indications.

I judge, from the information already obtained, verbally and otherwise, that some of this hard material which was drilled and blasted (apart from rock) was sometimes overlying the solid rock surface directly, and sometimes overlying sand or softer material, in the form of a hard stratum of varying thickness and hardness.

A. That is true.

Q. Then he says further (reads):—

"As the quantity of hard material in place is obtained finally from drilling records kept by both the contractors and your inspectors under your supervision, I understand allowance is made for the quantity of material which could have been dredged, underlying the hard strata above mentioned by deducting from the sections of hard material plotted from drilling records, 2, 4 or 6 feet, in accordance with conditions found at each section, and your own judgment after discussion with the inspectors.

"This can only be approximately correct, but I recognized there is no other way to arrive at more correct results."

Do you know of any other way to arrive at more correct results than the way that was adopted by the engineer and yourself?—A. That was the most available and best method we could find under the circumstances.

Q. Have you got an absolutely complete record of your excavations from the time you started until you completed the work?—A. We have our daily drilling record sheets, 1,500 of them, and copies were made for the Department. These are the records that I complained of the use of the other day.

Q. Will you produce the original drilling record sheets to show the method in which you kept your records?—A. Here they are. (Producing records.)

Q. Will you explain to the Committee how that record is kept?—A. With each crew, or each shift, we have what we call a score keeper whose business is to keep these records that I shall describe. He makes a note of where the drill first strikes hard

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material, or any material requiring drilling at all of any nature. He makes a note showing the grade at which that is struck and the elevation of the grade of the bottom of the hole. Deducting one from the other gives the depth of the hole, and he gets the time of actual drilling and every moment's delay for any cause at all for each individual drill. A record sheet is kept for each individual drill for each shift; in other words there being five drills, there are five sheets kept simultaneously recording the operations of each shift.

Q. How many inspectors are employed by the Government at the same time who have a check on this work?—A. One on each shift.

Q. One on each shift?—A. Yes.

Q. So that you have an absolutely correct record of the work done from the day you started until the day you completed it?—A. We have the record I have just described which we keep merely for our own convenience. You might call it a diary of our work, for that is practically what it is.

Q. I understood you to say the other day that you interpreted the specification as any material that could not be removed by an ordinary dredge?—A. Yes, I did.

Q. Because section 23 of the specifications, which deals with the materials, specifies two materials. One earth, and one rock; one to be removed by ordinary dredging, and the other by blasting. Now, was the *Puget Sound* a dredge which could be classed as an ordinary dredge?—A. Yes, I would call it an ordinary dredge.

Q. You would call it an ordinary dredge?—A. The word "dredge" is a very vague and indefinite term. If you wish I will describe what I mean by "ordinary dredge".

Q. Perhaps you had better do so?—A. I consider an ordinary dredge, a dredge with a good sized dipper, having what is ordinarily considered the standard power to put on that sized machine as turned out by dredge builders. I have built a number of dredges myself. I have designed and built as well as operated different dredges, hydraulic dredges and all other kinds. Some of them with extraordinary capacity and power, and some that I would consider ordinary dredges.

Q. Well, you say this was an ordinary dredge. I do not think there is any doubt about that because Mr. Mallory even gives it a good reputation. He says it was equal to the Government dredge Ajax.—A. I would place it in the same class as the Ajax. In some respects it is more powerfully rigged than the Ajax.

Q. Mr. St. Laurent, in his examination at page 39 says this (reads): "The material within that disputed area having been excavated I could not get any positive proof of the actual material which had been removed from there." Was there any way that Mr. St. Laurent could get the actual material which had been removed from there without taking the records?—A. I don't see how he could.

Q. So that you and he do not disagree in that regard?—A. I could not do it. I don't know how he could do it.

Q. He says the only fault to be found is in the classification, not in quantities returned.—A. I think that has been the assumption of everybody all along, so far as I know, and we have here no difference as to the quantities of both classes of excavation combined.

Q. Mr. St. Laurent admits that they failed to remove that material with the dipper dredge, evidently referring to the *Puget Sound*.—A. Yes.

Q. He was asked the question "And they failed also with the dipper dredge?—A. They failed also with the dipper dredge."

Mr. CARVELL: Does he not say that he was so informed?

Mr. PRINGLE K.C.: It is a clear-cut question and he answers it clearly. I presume he must have been so informed. I mean to put it in evidence that a dipper dredge was used and failed.



*By Mr. Pringle, K.C.:*

Q. On page 45, Mr. St. Laurent says: —

“Q. When you were out west and made your examination, did you find any evidence of collusion between the district engineers and the contractors?—

A. No, sir, from all the conversation I had with the engineer I thought he was most honest and upright; he admitted that that material could be removed by some class of dredge which they did not have out there”,

I suppose there could be a dredge constructed to move that class of material, but it would not be an ordinary dredge?—A. It would not.

Q. Do you know of your own knowledge whether the Puget Sound attempted to move that material?—A. Well, the Puget Sound was at work on that contract, she took a sub-contract to follow the drilling, and I presume they dug on that cut with it.

*By Mr. Carvell:*

Q. Do you know of your own knowledge whether they attempted to move that material with the Puget Sound? No answer.

*By Mr. Pringle, K.C.:*

Q. Do you know of your own knowledge whether they attempted to move that material with the Puget Sound and failed?—A. You will have to be a little bit more definite, because they attempted to move some, and they did move it, but that was counted as “earth”. They did attempt to move some that was not removed without drilling and blasting, so that that needs a little elucidation.

Q. Now then in discussing this material Mr. St. Laurent has only, I take it from his report, allowed 13,060 yards as absolutely rock, and does not take into consideration any hard material, and there was unquestionably hard material there that could not be removed by an ordinary dredge?—A. There was material there that could not be removed by any dredge.

Q. That is material apart from solid rock?—A. Yes, there was some material there that could not have been removed except by an extraordinary powered dredge.

Q. When you took your contract and based the price of \$4 a yard you said you had made an inspection of the area, not only as to the class of material, but also as to the approximate quantity?—A. Yes.

Q. If that had been all solid ledge rock could you have removed that for any four dollars a yard?—A. It might have been possible to move it at \$4 a yard, but I would not have taken the contract for \$5 a yard, because it cost a great deal more than that in the inner harbour.

Q. What does it cost?—A. I presume that it would be better proved from the departmental records; I have heard estimates of different prices from \$5 up to \$20 a yard.

Q. You would not have undertaken to remove all the solid ledge rock at that price?—A. I took the average as I thought it would be.

Q. Now you have gone, with some care, over the evidence of Mr. Davy?—A. Yes.

Q. Upon whose report this estimate of Mr. St. Laurent was made?—A. As closely as I have been able to in the limited time at my disposal. I have been here and I have read over some of the testimony two or three times, and some I have not gone over at all; some I have read over hastily, but I am fairly familiar with the general trend of it.

Q. Would you say in a general way that where the borings were 100 to 150 feet apart that would give a clear indication of the material?—A. Absolutely not in a location of that kind where the rock surface is very irregular, very bumpy, full of heavy seams, gulches and crevices, which made the drilling there very difficult; we broke any number of drill points owing to the drills getting jammed in these seams and crevices.

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Q. So you do not think it would be possible to get at a correct estimate of the quantity of rock from the borings of Mr. Davy?—A. No, it would not.

Q. Now I think I noticed in Mr. Davy's evidence where he stated at page 68 that if he had found the same material as Mr. Maclachlan said he found he would have done just as Mr. Maclachlan did, submit the matter to the Department before making his estimate. He is asked this question:—

“If you had an ordinary dredge and found it could not lift the material, but that same material could be lifted by an extraordinary power dredge, would you feel bound in a case of that kind to classify that material as earth?—A. I think I would naturally want to get a ruling on it.

Q. You would ask the department for a ruling?—A. I would ask the Department for a ruling, because the specifications only speak of a dredge.”

So that Mr. Davy would have taken exactly the same course when he struck that material that Mr. Maclachlan did take, and ask for a ruling. Now something has been said in regard to your drill plant. How many men were employed in connection with that drill plant?—A. Fifty-two men altogether in the crew, 26 in each crew.

Q. And is the plant an up-to-date plant?—A. It is considered by everybody who has ever seen it or heard of it to be the best in existence.

Q. Is it a valuable plant?—A. Well, we consider it so.

Q. What, approximately, is the value of the plant?—A. I consider it to be worth from \$75,000 to \$80,000.

Q. Is there any risk attached to this kind of work?—A. A great deal. In the first place we had to tow our plant over to Victoria without being able to get insurance, and we had to bring it over there some way, and thought we were going to lose a part of it. We were five days, and the weather was rough; we had two tugs, and everybody was very uneasy about it.

Q. But it is a valuable plant and an expensive one to run?—A. Yes, there is a great deal of danger from explosion.

Q. And do you keep a daily record, keep track daily, of the explosives that are used?—A. We keep track of every item we can.

Q. Now, sir, having been on that work from the start to the finish, what do you say as to the material, is it rock under that specification?—A. Well, how much rock? Certainly there is rock.

Q. What I mean is that all the quantity that has been allowed for rock is within the proper quantity?—A. The greatest amount that has ever been turned in, so far as I know, by the estimates, is a lower amount than the actual amount of rock classification we are legitimately entitled to.

Q. The amount returned by the estimates is a lesser amount of rock than you are actually entitled to under the contract?—A. Yes.

Q. There is no question about that in your mind at least?—A. None whatever, and I have always represented it to Mr. Valiquet and I represented it to Mr. St. Laurent when he was out there.

Q. Referring to Mr. Valiquet's visit did Mr. Valiquet take the dredge to different points in order to make the tests?—A. Mr. Valiquet had the dredge placed at three different points to my certain knowledge and tried out the material, and said he was satisfied, that was enough for him. After that he asked for a sounding rod of some description and he got a one-inch rod with a sharp spike on the lower end of it. He took some men out with him in a row boat and prodded around through the overlying material at several places until I also understand, he said he was satisfied. I did not go out in the rowboat with him, but I was on the dredge, and I believe Mr. McDonald was there, and Mr. Davidson of the Pacific Coast Dredging Co., and a number of others were there at the time.

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Q. But you saw the actual test made by Mr. Valiquet?—A. I did, I saw the dredge test made, but I did not go over in the rowboat.

Q. And the *Puget Sound*, which you say is an ordinary dredge and would come within the meaning of the specification, was unable to remove this material, and consequently it should be classified as rock. Now, is there anything else, Mr. Woolley, that you can?—A. This matter might be drawn out indefinitely. I have nothing to suggest.

Mr. CARVELL: I think the witness is quite right, because it seems to me that all this evidence would properly come down in a contest between the company and the Government.

The CHAIRMAN: I think it will all boil down to that eventually.

The WITNESS: I think there will be 15,000 pages of testimony in this case before it gets through.

Mr. CARVELL: I have no objections whatever in view of the evidence we have offered. We are willing to sit here and listen to all the evidence Mr. Pringle wishes to put in rebuttal. So far as Mr. Woolley's evidence is concerned it is one of fact between you and the Government.

The WITNESS: That is all we want, facts.

Mr. PRINGLE, K.C.: I think it is most important for this reason: certain complaints were made by Mr. Mallory, rightly or wrongly, and those complaints were communicated to Mr. Barnard, the member for Victoria. Mr. Barnard evidently believed in Mr. Mallory and got in communication with the Department, and the work was stopped. Valiquet was sent out and made a report which confirmed the work of the resident engineer and the work started again. Mr. Mallory is still dissatisfied, he insisted there was wrong. Then the engineer, Maclachlan—

Mr. CARVELL: It was not Mr. Mallory who insisted the second time, it was the Auditor General.

Mr. PRINGLE, K.C.: Mr. Mallory wrote a letter, which is on the record of November 9th, in which Mr. Mallory does not accept in any way Mr. Valiquet's examination.

Mr. CARVELL: It was the Auditor General's letters to the Prime Minister.

Mr. PRINGLE, K.C.: The Auditor General followed it up, but Mr. Mallory was the man that started it. Now, what has happened? Mr. Maclachlan has lost his position and is now under suspension. It has gone abroad that there has been collusion between the engineer and these contractors, that there has been an excessive quantity of rock allowed for, and surely we should clear that up. If the impression is wrong, surely we should have it cleared up in this Committee.

Mr. CARVELL: I am offering no objection.

The CHAIRMAN: If Mr. McDonald is to give evidence of anything against him, or a charge has been made, I would like to clear it up.

Mr. PRINGLE, K.C.: In regard to that detective who went to Mallory, I have a wire from the coast, and if this Committee wishes we can have him here. He says that Mallory's evidence is absolutely—

Mr. CARVELL: That is not a fair statement. You are too experienced a counsel to make a statement of that kind. If you want to bring him here we won't offer any objection from this side.

Mr. PRINGLE, K.C.: I think he should be brought.

The CHAIRMAN: We should consider the expense. It would cost \$500 or \$600 to bring a man from there.

*By Mr. Pringle, K.C.:*

Q. Besides your drilling plant, you had your tugs and scows?—A. For part of the time we were using McDonald's tug around there.

Q. I see.

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*By Mr. Bennett (Simcoe):*

Q. The \$80,000 for the drill is exclusive of the tug?—A. Yes, just for the drill plant. We considered we had quite an up-to-date plant. It burns fuel oil and has five of the largest drills ever used on that work.

*By Mr. Pringle, K.C.:*

Q. One question about the rate of drilling. Will you explain that to the Committee?—A. I made some reference the other day that improper use had been made of the records by picking out star performances and holding them up as probably the average of our work. One of those pamphlets I gave you has a comparison of these particular days selected by Mr. Davy.

Q. Those are the ones you gave me this morning?—A. It is in the printed testimony.

Q. Perhaps you can get it quicker than I can. Is it in Davy's evidence?—A. Yes.

*By Mr. Carvell:*

Q. What number is that?—A. Under date of Wednesday, March 22, 1916, No. 13, p. 58 and 59. Mr. Davy submits some records showing what are supposed to be wonderful performances. On August 6, in his table on p. 58, he stated that we drilled 1,489.3 feet in the morning shift, and he gives as the actual rate drilled per hour for that morning shift as 74.7 feet per hour.

*By Mr. Carvell:*

Q. That is right?—A. My own computation of that is 39.5 feet per hour.

Q. He says it is 37.2 feet based on full time?—A. I have got it on the actual moments we were drilling, all delays deducted.

Mr. CARVELL: That is a matter between you and Mr. Davy.

*By the Chairman:*

Q. He is twice as much as you are?—A. Here are the comparisons, sir.

*By Mr. Pringle, K.C.:*

Q. You had better state them.—A. In the afternoon of the 6th, Mr. Davy states that we make an average speed per hour of 64 feet per drill. My own computation is 41.5 feet. In the morning of the 9th, Mr. Davy states that we make a speed of 26 feet per hour per drill; my own computation is 20 feet. In the afternoon of the 9th, Mr. Davy states we drilled 30.3 feet per drill per hour; my own computation shows 16 feet per hour. On August 10th in the morning, Mr. Davy shows a rate of 39.8 feet per drill per hour; my own computation shows 22 feet. The afternoon of the 10th, Mr. Davy shows 67 feet; my own computation 14 feet.

*By the Chairman:*

Q. 14 instead of 67?—A. Yes. On the 11th, in the morning, Mr. Davy says 64.5 feet; my own computation is 29.5. In the morning of the 12th—I might compare everyone that he gave—the morning of the 12th Mr. Davy's statement is 72 feet per hour; my own is 35 feet. The afternoon of the 12th Mr. Davy states 60 feet per hour; my own is 41 per hour. On the 13th, in the afternoon, Mr. Davy gives 59 $\frac{9}{10}$  feet per hour. My own is 37 feet, there being no work in the afternoon, or rather Mr. Davy did not give the figures, it was not a good enough record, although he gave the information on all these other dates.

Mr. CARVELL: We have no objection to your giving all the information too.

The WITNESS: All right.

Mr. CARVELL: But I think it is poor taste to attack the engineers of the Department.

The WITNESS: They have attacked me.

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*By the Chairman:*

Q. Is there any reason that you can see why he should not have given those figures?—A. I do not know of any.

Q. The figures were there and he could have given them?—A. Yes, sir.

Mr. DAVY: I can explain that at any time at all.

Mr. CARVELL: We will give you all the opportunity you want. It is not the first time that Government engineers and contractors have disagreed.

The WITNESS: I know that.

Mr. CARVELL: It will not be the last occasion either.

The WITNESS: Well, he has given no quantity for the afternoon. I have figured it out as being quite small, and he did not put it down. I didn't put it down, but I made a note it was small.

*By the Chairman:*

Q. Go on with the records, please.—A. The next is September 1st.

*By Mr. Carvell:*

Q. You will find amongst your records you didn't average more than three or four or five feet per hour?—A. Yes, that is no discredit to us, we did the best we could. Now, September 1, Mr. Davy gives  $49\frac{1}{8}$  feet against my own 21 feet, in the afternoon of September 1 Mr. Davy gives  $46\frac{3}{10}$  feet and I give 30 feet. In the forenoon of 2nd September Mr. Davy gives  $96\frac{9}{10}$  feet and I give 59 feet. In the afternoon of the 2nd, Mr. Davy gives 31 feet and I give 24 feet.

*By Mr. Pringle, K.C.:*

Q. Are these computed from the actual records?—A. Yes, sir. I would like to say before I go any further. I made these computations last night, picking out these dates on the records and using the slide rule. My own computations are not made to the nearest tenth of a foot, as Mr. Davy's were, but gives the closest approximate number of feet.

Q. There may have been days when you only did three or four feet per hour.—A. Yes, I presume so.

Q. These seem to be days on which there was a pretty good showing?—A. These appear to be days on which some of our largest runs, if not the largest runs, were made.

Q. Now, in material of that class did he make any deductions?—A. Undoubtedly he did. I might say the figures I give here allow no deductions for soft material. This is on the basis of no deductions. If the deductions were taken off, my rate of progress, according to my computation, through the actual hard material would be relatively much smaller still.

Q. Mr. Maclachlan said in some cases he made as high as 80 per cent deduction?—A. I do not know that. I did not figure out Mr. Maclachlan's estimate.

Q. How much solid ledge rock may be estimated to be in the entire job?—A. I never gathered from Mr. Davy's testimony so far, that he ever separated solid ledge rock from compact material or anything else. As I remember it he simply gave a total of something like 13,000 and odd yards.

Mr. CARVELL: I do not think that is so.

The WITNESS: I don't think he ever separated the material.

Mr. CARVELL: That is not Mr. Davy's evidence.

The WITNESS: That figure is mentioned in this evidence, whether he gave it or not.

Mr. CARVELL: I think Mr. St. Laurent said that was the result of taking Mr. Davy's borings.

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THE WITNESS: At any rate, somebody computed that figure.

MR. CARVELL: With different area.

THE WITNESS: That is my understanding: that Mr. Davy computed those figures. If I am in error I stand corrected. You must remember I have had a queer bunch of this stuff to read through in a few days.

*By Mr. Pringle, K.C.:*

Q. There is a reference in Mr. St. Laurent's report to the change of location. When they first decided to do this work it was found that there would be a very much larger quantity of solid rock. If you look at page 47 of the evidence you will find that Mr. Davy was asked this question: (Reads) "Q. Were the borings taken in connection with the original scheme?—A. They were taken for it originally. Then after they were taken an enormous quantity of rock was shown, so they changed the plan and put the location of the piers a little farther out, as they are, to get away from this enormous amount of rock." You know borings were made after the change of location had been decided on?—A. I never understood that any borings were taken when the location of the original structures were changed. That is as far as I have been able to gather. Personally I don't know.

Q. Isn't it possible that the new location was placed largely on ground not properly examined by borings?—A. It looks that way.

Q. It is quite possible that occurred?—A. Possible and very probable.

Q. And they assumed it did not contain rock?—A. It looks as though they might have done so, or merely a small amount.

Q. The statement was made during the examination of Mr. Davy that the first idea was to adopt the scheme shown by the yellow lines drawn on the plan. Is that the plan attached to the report of Mr. St. Laurent?—A. I did not see any yellow lines. I do not know what plan you refer to, I have not got any here. One plan is marked 200 and some number, and another has the figures on it, "412" whatever that may be.

*By Mr. Bennett (Simcoe):*

Q. How much water did the drill draw?—A. The drill boat?

Q. Yes?—A. About 5½ feet when we did not have it lifted up by the four big spuds.

Q. How wide was she?—A. 38 feet wide.

Q. So that if the sea rolled any it would effect the work?—A. No, sir, that is just the point, we had four powerful spuds that we would lift her up about two feet in the water, we did not lift her out of the water, but lifted up the drill scow 2 or 2½ feet, a weight being laid on the spuds of 250 or 300 tons.

Q. You have read his methods of the borings as described I think on page 49. Is that method effective in going over the various kinds of material?—A. Yes, it is a combination of what might be called a churn drill and a jet.

Q. That would go through fairly hard material?—A. Through fairly hard material, and if used long enough it would go through hard rock.

Q. Could it go through material that would not be taken out by an ordinary dredge?—A. It would. I have a special instance in my mind to which I would like to call your attention. I have had experience of having encountered stuff of that kind where a drill of that nature was used. There was a million yards I might say to be excavated and the contract was a hydraulic dredge job; to be more exact there was some 960,000 cubic yards.

*By the Chairman:*

Q. Where was that contract?—A. It was contract No. 4 in the New York State corporation, I was superintendent for the contractors.

Q. And you were allowed rock prices for it, were you?—A. We did the work, but there was no rock prices included in the contract.

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*By Mr. Pringle:*

Q. You have had experience like that in rock borings?—A. Yes, I have had various experience, one with coral rock 90 to 95 feet, stuff that no dredge on earth could move.

Q. You have noticed that Mr. St. Laurent's report is largely based on Mr. Davy's?—A. So far as I can gather, and I could not find anything to the contrary, but I would like to read over Mr. St. Laurent's evidence still further. I have read part of it carefully, and some of it more hastily, and so far as I can gather it seems to be wholly based on Mr. Davy's deductions.

Q. And so that is the way Mr. St. Laurent puts it himself. Now I think you have already told us that Mr. Mallory knew the quantity of rock actually to be excavated?—A. He should have known, we have the contract on file, stating how much we expected, but I do not know as to that.

Q. Did you have any discussion with him about it?

Mr. CARVELL: Mr. McDonald is here now, you had better produce the contract. Mr. Pringle.

Mr. PRINGLE, K.C.: Have you the contract here, Mr. McDonald?

M. C. E. McDONALD: No, it is at the hotel.

Mr. PRINGLE, K.C.: You had better have it here this afternoon.

*By Mr. Carvell:*

Q. Now, Mr. Woolley, I presume this is not the first time, in your experience there has been a difference of opinion between contractors and engineers?—A. No, it is not.

Q. And it will not to be last. And after you get rid of everything else it is still a question as to whether a certain portion of that material should be classified as either earth or rock?—A. That is true.

Q. And that is the whole story?—A. Absolutely, it is a question of—

Q. Earth or rock, and there is nothing else to it?—A. Nothing else to it.

Q. Under your specifications you allege that a larger proportion than even that which was returned by Mr. Maclachlan should have been classified as rock?—A. That is my contention under these specifications.

Q. That is your allegation?—A. Absolutely.

Q. And the Government engineers, that is the headquarters engineers, allege and claim that there was a much lesser portion than Mr. Maclachlan returned.—A. With the exception that Mr. Valiquet from his own observations and from his own data has proven Mr. Maclachlan's classification is right.

Q. He proved that Mr. Maclachlan's classification was right?—A. Yes.

*By Mr. Carvell:*

Q. And you are getting \$4 per yard?—A. \$4 per yard is our contract price.

Q. I would like you to tell me, are you or are you not a member of the firm, I think, of Henry, McFee and McDonald?—A. I am not a member of the firm, I am not a stockholder, but I have a working interest in the contract only.

Q. I do not want to know all your private affairs?—A. I have nothing to hide.

Q. You have a working interest in the contract?—A. Yes, I refused to do any further work for them on any other basis.

Q. That is a fact?—A. That is a fact.

Q. And this concern have a large contract in Vancouver, have they not?—A. No, they have completed their work.

Q. They had a large contract?—A. Well, I wouldn't exactly say it was a large contract, about a million and a half dollars.

Q. Well, of course that may seem a small amount to you but it doesn't look like that down here.—A. When you are dealing with things in millions it is just as easy to talk about ten millions as one.

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Q. To a farmer like myself it would seem a very large quantity. A. I was raised on a farm myself, and it is a good place to be raised.

Q. Do you remember how many yards of rock you took out on that Vancouver work?—A. I do not remember what the final estimate was; when the final estimate was sent in I was over there in Victoria giving personal attention to this work. The rock excavation was finished some months before that.

Q. Did you have charge of the rock excavation on the Vancouver contract?—A. I had charge of the whole contract there.

Q. On V-439 of the Auditor General's report there is a statement that the rock excavation was estimated in round figures at 100,000 cubic yards, and that the excavation up to September 30 was 208,000 cubic yards?—A. That is correct, I presume.

Q. Approximately, I am giving round figures.—A. That is approximately correct. I can say that offhand.

Q. And on the Vancouver work the estimate of rock was practically doubled?—A. It wasn't doubled, there was that much more there than was supposed to be there.

Q. But the estimated quantity was 100,000 yards?—A. The estimate was very incorrect.

Q. The estimate was actually doubled. Then I find lower down that the rubble stone under the cribs was estimated at 4,700 cubic yards and there was in the work, according to the returns down to September 30, 10,808 cubic yards. There is another case where it was more than doubled, wasn't it?—A. Very likely, I cannot remember just exactly all the final quantities, in fact I never saw the final estimate.

Q. I am reading from the official documents?—A. I presume they are absolutely correct.

Q. And for broken stone under the cribs the estimate was 3,900 cubic yards and the return down to the 30th of September was 8,758?—A. Yes.

Q. So that you have had other experiences where the estimated quantities of rock have been very materially increased?—A. Yes.

The CHAIRMAN: Is there much contention between the Government and the contractor over classification on the Vancouver contract?

Mr. CARVELL: Oh, we haven't reached that yet, but there is no question that Vancouver work will come up before this Committee.

The CHAIRMAN: Was there any dispute?

Mr. CARVELL: The Auditor General wrote a letter to the Department, and called attention to this enormous increase in quantities. It is the same old story of increased quantities and classification.

A. I think you will find that it is the case in every large contract there is some one item or other where there is often quite a large error.

*By Mr. Carvell:*

Q. I have no doubt of that, we have heard of that kind of error frequently before this Committee.—A. Yes, no doubt about that, but it does not mean anything one way or the other.

Q. Now you told my friend that you had a crew of 52 men?—A. Yes.

Q. That it took 26 men to each shift?—A. Yes.

Q. Did that include the men on the scows and on the tugs?—A. Only on the drill scow.

Q. Only on the drill scow?—A. Yes.

Q. I have tried to get a computation from Mr. MacLachlan in regard to that, and he put it very much below that.—A. Well, Mr. MacLachlan didn't go there and count them, I do not think he met them all.

Q. He included in his computation, as I understand it, the men on the tug; so

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far as your work is concerned, it would not include the men on the tug?—A. I think that referred to the men on the dredge's tug, and not our tug, I heard the testimony.

Q. When did you commence your drilling operations?—A. On June 28.

Q. And when did you cease operations?—At the end of November, 1915.

Q. Now, will you tell me, how many days you were actually employed in the work?—A. We were employed every day that the weather permitted unless we were shut down for some break down.

Q. Did you lose a very great portion?—A. I will be glad to count them up if you will let me run over these sheets. There are 1,500 here, it will take some time.

Q. Have you brought with you your records, your accounts?—A. All the records I have in my possession are these (indicating record sheets) and my contract with McDonald.

Q. Mr. Woolley, you know what we mean?—A. I know well. I am telling you all I have.

Q. Have you the account books showing the number of men you had employed and the amount of money you paid them?—A. No, sir.

Q. Have you any records with you showing what the cost of this work was to your principals, or to yourself as one of the principals?—A. No, I have not.

Q. Can you tell me from memory approximately what it was?—A. No, because I do not know what we are going to get.

Q. I am asking how much did it cost you to do the work?—A. I do not know.

Q. I want to know, I would like you to make a computation.—A. I cannot give it to you from any data I have with me.

Q. I want you to make the best computation that you can.—A. You mean offhand?

Q. Yes.—A. I won't give it now. I cannot guess it.

Q. Don't say: "I won't". Those are unkind words, we do not like to have those things put in. We are going to get this information?—A. If you are entitled to it you will certainly get it; my people have nothing to hide.

Q. In a nice, pleasant way, we want to do it, I have asked you as kindly as I know how. You say you have not the data with you?—A. Yes, sir.

Q. I want you to give an approximate statement as to how much it cost you to do that work?—A. I have not the data with me, sir, nor it is not this side of the Coast, on which I could base such a statement. As to whether I would be justified in giving to you under the circumstances, and the fact we may have to come to trial in this case, and some other things, I think I would consult counsel before I would consent. I feel I am within my rights. I do not believe it to be discourteous at all.

Q. I do not think you do. But we do want this information.—A. I know you want it.

Q. Can you tell me how much 40,000 yards would have amounted to at \$4 a yard?—A. Well, that is pretty simple arithmetic.

Q. It is simple, it won't take you long to answer it. How much?—A. 40,000 at \$4, that is \$160,000.

Q. Will you tell me next what would 32,000 yards at \$4 a yard come to?—A. It will come to \$32,000 less than \$160,000.

Q. Will you do the subtracting?—A. 32,000 from 160,000 would be \$128,000, I guess.

Q. I think so. Now, where is the amount for which they have been paid? I think, Mr. Chairman, we have somewhere the quantities which have been paid by the Department.

The CHAIRMAN: Yes, I think it is about 18,000, I am not sure now. The estimates will show, at least the pay sheets you put in.

Mr. CARVELL: No, these are only estimates. All of these estimates have not been paid. My recollection is it is around 18,000 yards.

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The CHAIRMAN: That is my recollection.

Mr. CARVELL: I won't ask a question on that because it would not be accurate.

*By Mr. Carvell:*

Q. 32,000 yards would be \$128,000?—A. Yes.

Q. I do not think there is much question about it. You started work, you say, on the 28th day of June, was it?—A. Yes.

Q. And you finished when?—A. The end of November.

Q. About what time in November?—A. (After consulting sheets) November 30th seems to be the last day.

Q. Did you work continually up to November 30th?—A. No, there was only a few days of trimming around there we did in November. There was stormy weather and lots of days we could not work at all.

Q. Did you pay your men full time, or only the time they worked?—A. Well, I could not say offhand. I paid them for a good deal of the time they did not work. I do not know if I paid them all the time continuously.

Q. Well, say there was July, August, September and October—would you say you paid your men approximately during four months' time?—A. Oh, yes, I think we paid them all of that.

Q. All right. We will take four times 26 days in the month, that would be 104 days you paid your men. Will you tell me what it cost you per day?—A. I could not offhand.

Q. Tell me approximately.—A. I would not deal in approximation in a case of that kind.

Q. We would like to have you do so.—A. I cannot do it.

Q. You can do better than that. It is wonderful what a man can do if he tries. You know the old adage in our school books, "Try again." I do not ask you to tell me to a cent what you paid these men in a month or a day; but if you had 52 men employed you can tell me approximately how much it cost to keep these men going.—A. I would rather give it to you exact or not at all.

Mr. CARVELL: I will have to apply for a ruling. There is no use fooling with a man like this.

Mr. PRINGLE, K.C.: This is in no way pertinent to the inquiry. What my learned friend is endeavouring to ascertain is what this work cost McFee and McDonald. They had their contract at \$4 a yard.

Mr. CARVELL: And every yard of earth they could turn into rock meant \$3.48.

Mr. PRINGLE, K.C.: I am not objecting in any way to any evidence which deals with whether rock was allowed for earth. What I am objecting to is going into evidence of what it cost these men. It has got nothing to do with that at all.

Mr. CARVELL: Mr. Chairman, my friend imagines he is in the Exchequer Court in a case between the Government and the contractor, and even there this question would be admissible. We are in the Public Accounts Committee trying to get light on this matter, and I think everybody will admit that all the light should be thrown on it possible. This man says he went over there with the expectation of getting 40,000 yards of rock and \$160,000, and had a crew of 52 men and the plant which he has described. He says he worked approximately four months, and we know that the engineer would have returned, and I think has returned, approximately 32,000 yards. I submit I have a perfect right to ask this witness, as he has not brought his books with him, what it cost him approximately to run this dredge per day. I do not want to be unreasonable, but I think I have a right to ask that question.

The CHAIRMAN: The witness says he cannot tell you.

Mr. CARVELL: But, Mr. Chairman, he can give me an approximate estimate.

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THE CHAIRMAN: It would not be of much value, it seems to me. The question we want to find out here is how many yards of rock were actually taken out.

Mr. CARVELL: Yes.

The CHAIRMAN: How do you determine that if you find out what profit he has made?

Mr. CARVELL: I am not bound to state to the committee all I have in the back of my head. I am asking this witness what I submit is a proper question, and I want an answer to it.

The CHAIRMAN: If a man sold a specified article to the Government for say \$100, you would be justified in asking him how much he paid for it in order to ascertain if he made an unreasonable profit or not. But this is not such a case. This is a case where we are endeavouring to find out whether earth was turned in as rock.

(To the witness): Perhaps Mr. Woolley, as one of the witnesses has made an accusation against you in this matter, you will have some explanation to make to the Committee?

The WITNESS: That may be so, but if you will pardon me saying so, I do not like to give an approximate statement in a case of this kind. It may be that there may be some further legal action in which an approximate statement would be quoted on the record against us in a prejudicial way, and it might be that it would lead to an entirely wrong impression.

Mr. CARVELL: Before I press that question I would like to ask the Government engineers here if they have copies of the sub-contractors' pay rolls in the Department. Can you tell me, Mr. St. Laurent?

(Mr. ST. LAURENT shakes his head by way of dissent.)

Mr. CARVELL: All right, then I press for an answer to my question and if the witness refuses to answer I want the Chairman's decision.

The CHAIRMAN: The witness is not refusing to answer, except that to give an approximate statement would not be of any value.

Mr. CARVELL: That's all right, this Committee will be the judge of the value. I would like to have an answer from this witness. Mr. Chairman, you know what I am after.

The CHAIRMAN: I suppose you want to know how much profit——

Mr. CARVELL: I want to test this witness. He is a stranger to us and I want to test his credibility. You did not hear me objecting to a cross-examination of Mallory?

The CHAIRMAN: Certainly not. The witness should give the best answer he can. We cannot make a man answer if he cannot give the information.

Mr. CARVELL: I want the information approximately.

The CHAIRMAN: (To the witness.) You can make an approximation. State whatever you think is the nearest to it.

The WITNESS: Mr. Chairman, I would not like to give an approximate answer.

The CHAIRMAN: Your answer will only be taken for what it is worth under the circumstances.

The WITNESS: I do not feel it is fair to ask that question. If it is necessary that I should give an answer I will get the data and give the information correctly. If it is not absolutely necessary to answer the question I would ask to be excused from answering it approximately.

The CHAIRMAN: I think perhaps you had better give the data. We have some interest in finding out how much profit you have made. It may be a factor in determining how much rock there should have been.

The WITNESS: Yes, Mr. Chairman, but——

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Mr. CARVELL: What is the witness saying?

The WITNESS: I am only speaking to the Chairman. If I cannot speak to him I will quit.

Mr. CARVELL: You had better speak to the Committee.

The CHAIRMAN: It is all going down on the record. (To the witness) Where is your data?

The WITNESS: In our main office in Seattle. All the books are down there.

Mr. CARVELL: Gone to the United States. The old, old story.

The CHAIRMAN: Is your head office at Seattle?

The WITNESS: Our head office has always been at Seattle. As for Mr. Carvell's statement, that is untrue.

Mr. CARVELL: You say it is untrue.

The WITNESS: Yes, because our books have always been there. Our head office has been there for 25 years.

*By Mr. Carvell:*

Q. Then your books are in the United States?—A. Our books are, yes.

Q. If the books are gone to the United States, let us hear your best judgment on what your operations cost you per day?—A. I am not giving it.

Mr. CARVELL: Mr. Chairman I ask for your ruling.

The CHAIRMAN: He says he cannot give it. You cannot make the witness answer if he says he cannot give one without his books.

Mr. CARVELL: I would like to hear your ruling, sir.

The CHAIRMAN: If the witness can give the information he should give it.

The WITNESS: I cannot give it.

Mr. CARVELL: (To witness) That is a nice way of getting out of a hole.

The WITNESS: You will probably find out——

*By Mr. Carvell:*

Q. We will size you up pretty well by the time we are through with you. You have said you do not think you can give us the cost of operations per day. Now, how much did you pay your foreman?—A. I am not going to give any of that data from memory, or anything of the kind. If I am asked, I will give it exactly.

Mr. CARVELL: Mr. Chairman, I ask you for a ruling.

The CHAIRMAN: If the witness can remember it he will have to give it.

*By Mr. Kyte:*

Q. Do you remember what the foremen got?—A. I cannot remember what I paid the foremen. Well, \$200 one of them.

*By Mr. Carvell:*

Q. And the other?—A. \$160.

Q. How many did you have?—A. Two foremen.

Q. One foreman got \$200 and the other \$160. How much did you pay your engineers?—A. I cannot remember all that. They had various wages. There were changes from time to time. We would start a man at one salary and gradually increase him. Outside of the foremen I would not undertake to give any rate of pay to any other employees.

Q. What did you start them at? Come, my friend, you cannot shut us off this way. It is wonderful the way we hang on to these things. It is wonderful the way

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we always squeeze a witness who does not propose to tell us what he knows. Now, what did you start your engineers at?—A. I could not say off-hand. I would like to give that accurately.

Q. Did you start them at as high a rate as \$2 a day?—A. I would rather give that data accurately.

Q. The data is in the United States where Allison is, and a lot more of that ilk?—A. If this Chairman will rule it is absolutely necessary for me to produce the books I think they will be sent here, it does not matter where they are.

The CHAIRMAN: In the meantime, just give us what you remember in the shortest way you can. (To Mr. Carvell). You cannot make a man remember what he does not recall.

Mr. CARVELL: I am going to test this matter to the very bottom, I do not care if it takes me a week. I am trying to see what type of man we have here. I want to know how much profit he made on this contract and I am coming pretty nearly to it.

Mr. PRINGLE, K.C.: It is not quite fair to refer to Mr. Woolley as one like "Allison and his ilk."

The CHAIRMAN: No, that is not proper.

Mr. PRINGLE, K.C.: The witness has said that if the Chairman so rules he will have the books here and go into the matter of cost.

Mr. CARVELL: For a man to refuse to give evidence to this committee does not suit me.

The CHAIRMAN: That is not fair.

Mr. PRINGLE, K.C.: There are many elements of cost outside the matter of wages.

Mr. CARVELL: This man knows, he can answer this question. Every member of the Committee knows that he can. When the witness says he cannot he is not speaking correctly.

The WITNESS: Stop right there, that is enough.

Mr. PRINGLE, K.C.: I would prefer not to be interrupted when I am in the midst of a statement. I say it is unfair to refer to Mr. Woolley as "like Allison and men of that ilk." The witness has stated here that if it is the wish of the Committee he will produce the books of the firm and you can put on them an auditor, an accountant or anybody else to get at the actual cost of this work. Mr. Woolley cannot carry in his mind all the details of this cost. There are a great many details which go to make up the cost. There are not only the wages, but the fuel, the cost of blasting and so forth.

Mr. CARVELL: Don't you suppose I know that?

Mr. PRINGLE, K.C.: I suppose you do.

Mr. CARVELL: Let me continue. I will get the information.

Mr. PRINGLE, K.C.: The witness says he cannot give you that without his books, but that he will produce the books here.

Mr. CARVELL: We will try the witness a little harder.

The CHAIRMAN: Mr. Woolley is a stranger and in so far as we know is a respectable man.

Mr. KYTE: So is Mallory, but he didn't get much credit for it.

The CHAIRMAN: We must assume that Mr. Woolley is telling the truth and must go on that basis until the contrary is shown. I think Mr. Woolley must tell us what he can remember, especially now that he has decided that he is willing to produce his books.

Mr. CARVELL: What do you think of this man's intelligence, when he comes here and tells us that he cannot remember approximately the details of his business?

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The CHAIRMAN: Well, go on and take the items one by one.

Mr. CARVELL: That is what I am anxious to do and what I am going to do.

*By Mr. Carvell:*

Q. Now, Mr. Woolley, tell us what you paid your engineers?—A. I could not off-hand.

Q. Tell us nearly as you can?—A. I don't like to make any guess about that. It is a matter that can be absolutely stated.

Q. Did you pay them as much as \$2 a day?—A. I paid them more than that. I don't think there was any man on the boat but what was getting \$3 a day or better, even the labourers.

Q. Now you are loosening up wonderfully. That is what we want.—A. That is as far as I will go unless I am permitted to give it to you exactly.

Q. It is wonderful how you are loosening up. Now we are making a nice start. You say the cheapest man on the work got \$3 a day?—A. I did.

The CHAIRMAN: More than that, he said.

The WITNESS: That or more.

*By Mr. Carvell:*

Q. You say the cheapest man got \$3 a day or more?—A. A \$3 a day man is the cheapest man we had.

Q. Did you have men at \$3?—A. Yes.

Q. What kind?—A. Some labourers.

Q. How many?—A. I could not say.

Q. Well, approximately?—A. The number varied from time to time.

Q. Would there be a dozen at \$3 a day?—A. I would not like to say that Mr Carvell.

Q. Then would there be two dozen, we want your best judgment on this?—A. That is about all I can give you off-hand.

Q. Would you have two dozen labourers on this work not receiving more than \$3 a day?—A. That is about all I can give you off-hand.

Q. What is about all you can give me off-hand?—A. The data I have just given you now.

Q. We will see if we cannot get a little further.—A. If the Chairman says I must do it, I will produce the books, or a certificated copy of the payroll, whichever you like.

*By the Chairman:*

Q. Mr. Woolley, just give what you can remember now.—A. Mr. Chairman, the number of labourers would vary from time to time, we were short one time and long another time and I would not like to give the number definitely.

*By Mr. Carvell:*

Q. And you said this morning your crew amounted to 52 men?—A. On that job, on the average.

Q. Fifty-two on that job during the time the dredge was on the work?—A. Yes, I can give you that right off because I had to have that crew.

Q. I want you to tell me, approximately, how many men got \$3 a day?—A. Approximately you want?

Q. Yes, approximately, that is all?—A. Well, I should say 18 or 20, that is approximately.

Q. That is all right, I have used the word "approximately" in every question I have asked you.—A. I just wanted to be quite sure that it was an approximate number you wanted.

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Q. I am not expecting you to tell me to the dollar without the pay rolls, if you did so I would doubt the accuracy of your evidence.—A. If the Chairman rules that I should tell you exactly I am perfectly willing to have the pay rolls produced.

Q. Sure we are going to have them produced, there is no doubt about that, that is if they can be found, and I am told that Grant, Smith and Company have copies of these payrolls, and I now call upon Mr. Pringle to produce them.

MR. PRINGLE: I will wire to-night to see if we have them, if we have them we have no objection to furnishing them.

*By Mr. Carvell:*

Q. You know they were furnished in duplicate, do you not?—A. No, I do not know about the duplicates, we gave them a list of our employees, and the rates we were paying them, and we gave it for this reason to satisfy the "Fair Wage Clause" and I may say we always paid the fair wage and better.

Q. Now you have 18 or 20 of these men at \$3 per day. Now what was the next scale of wages you paid?—A. I think I can come pretty near to getting it by looking at the Fair Wage scale; we paid this scale, and exceeded it in every case, but as to exactly what we paid to each individual man I would not like to recall it from memory. Here is the original specification (producing document) under which the work was let, and I had a copy of it at the time the work was advertised, because I prepared our own bidding figures for that contract; I just happened to have it here. And here is the minimum wage scale we were allowed to pay.

Q. Now you can pick them out?—A. Foreman carpenter, \$4.75 per day of 8 hours.

Q. How many of them did you have?—A. I didn't have any carpenters.

Q. Then that does not count, now give us the next.—A. There are some descriptions in here under which I had employees and some of my employees were of a certain designation that are not in this scale.

Q. Well, put them in?—A. I cannot, because they are not described, you want me to draw on my imagination.

Q. We will get all we want, I think, on the original contract.—A. They have a dredge captain down here, that may probably be similar to a drill boat captain.

The CHAIRMAN: You called it foreman.

MR. CARVELL: And you paid one \$200 and the other \$160.

The WITNESS: I will put that dredge captain down at \$150 a month, and I will put the dredge engineer down at \$135 and the dredge foreman at \$65. I have no such designation as that, on that special kind of work.

*By Mr. Carvell:*

Q. What do you pay the foremen?—A. They have dredge foremen here at \$65.

Q. What did you pay yours?—A. I do not remember what it was.

Q. Do not put it off in that way, tell us approximately what you paid your foremen?—A. He had at least \$4.50 per day.

Q. And how many were there?—A. Two.

Q. You use oil for fuel, I understand, do you not?—A. Yes.

Q. And therefore labour would be reduced a great deal?—A. It was just a question of having a man of good judgment to watch the plant. Drill runners are reported at \$3.50 per day of eight hours.

Q. What did you pay?—A. My rate was, if I remember aright, \$4.

Q. And how many of them were there?—A. Ten, and we had some spare ones besides. We had no fixed amount, it varied at times; we were always changing crews. It cost us \$35,000 to train that crew before we made a dollar; we trained them out of green men.

Q. It cost you how much to train them?—A. \$35,000 absolutely.

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Q. We will have to test those figures. Where did you do the testing?—A. We were operating in drilling and blasting and we ran a length of time and expended that much money in expenses, crew, fuel, etc., before we got to the point where we made any money.

Q. On the Victoria work?—A. No, the Vancouver work, we had the same crew there.

Q. Then you did the testing in Vancouver, and you got the rock quantities doubled, and the Government paid you for the testing?—A. That is your view of it.

Q. Well, what do you say about it?—A. We did not get anything for the testing, we just did the work that was there to do.

Q. And you got your pay from the Government, didn't you?—A. I do not know whether we have it all yet.

Q. You are supposed to get paid for it?—A. And we are supposed to get paid for this too.

Q. And what have you next to the ten drill runners?—A. Then there is the ordinary item of scow deckhands; we have labourers on the deck, we call them labourers, and the rate given here is \$45 per month and board.

Q. And you paid them \$3 per day?—A. We pay labourers, \$3 per day is the minimum.

Q. And how many of them are there?—A. I have said there were 18 or 20.

Q. I think from these facts we can strike a pretty fair average?—A. I think you can, probably.

Q. Now, would you say that \$5 a day would be approximate.

The CHAIRMAN: Excuse me, Mr. Carvell. He said he had 52 men. So far he only accounts for 32.

The WITNESS: Then there is the fireman, then the scorekeepers.

*By Mr. Carvell:*

Q. How many firemen?—A. Two, and sometimes they had three but generally worked with two. The men would rather take the long hours and get more pay.

Q. You say 52 altogether?—A. I will try to give you the others. There is the scorekeeper on each scow, that is two.

*By Mr. Kyte:*

Q. What did you pay them?—A. They were monthly men, they got \$100 apiece, they were a kind of clerical force. Put them in the \$4 a day class.

*By Mr. Carvell:*

Q. We will put them in at \$4.—A. Then we had a head blacksmith, and he had three or four helpers all the time on the day shift, and then we had a second blacksmith on the night shift part of the time, he had one helper and part of the time he had two. We had to vary that help according to the way the drills had to be sharpened. We had on that work eight or nine men.

Q. At how much per day?—A. They ran from... I cannot remember accurately all of these wages, I will give you as near as I can.

Q. That is all that we are asking.—A. My recollection is that we paid our head blacksmith \$5.50 for 8 hours and his helpers \$4 for 8 hours, or 50 cents an hour.

*By Mr. Kyte:*

Q. How many helpers?—A. Three or four in the day time, part of the time three and part of the time four.

Q. How much an hour?—A. 50 cents an hour for some of the helpers. It strikes me some of them got \$3.75 for helpers. My recollection is that I started new blacksmith helpers at \$3.75 as a minimum. That is in my head, I won't be positive.

*By Mr. Carvell:*

Q. I want to impress upon you that we thoroughly understand you are only giving approximate figures. Now, we will call them \$4?—A. I want you to call it what you think it is.

Q. Now, you are getting up to——

*By Mr. Kyte:*

Q. He said we had 8 or 9 altogether?—A. There is a head blacksmith and 3 or 4 helpers in the day time, that is 4 or 5 men in the day time, and at night a blacksmith, who would have one or two helpers with him.

Mr. CARVELL: 8 or 9 men altogether.

*By Mr. Kyte:*

Q. At about \$4 a day?—A. I think it will probably run better than that, because those crews often had to work overtime, and we paid them for the hours they worked.

Q. Would it be \$4.50 a day?—A. I remember there have been months in which we paid our head blacksmith as much as, oh, \$175, \$180 or \$190 a month. It was paid in two week payments. I think it is rather an impression.

*By Mr. Carvell:*

Q. I know. Go on now.—A. Well, there is a mechanic, a sort of machinist, on each watch, whose business was to look after the general upkeep of the machinery and assist the foreman, and we had an oiler——

*By Mr. Kyte:*

Q. How much did you pay the machinist?—A. I do not know. That is a rate that varied several times, because it is an employment in which there was three or four or five changes.

*By Mr. Carvell:*

Q. It would be at least \$4 a day, would it?—A. Oh, yes.

*By the Chairman:*

Q. And an oiler, you say?—A. An oiler on each watch.

Q. Two oilers?—A. Two oilers and two machinists, and at least one deckhand on a shift. On the day shift we generally carried two, not always, because we did not always have two. We carried these extra men in case a man quit or got hurt.

Q. That would be the \$3 a day men. Surely you have counted them in the twenty?  
A. They are beside the day labour.

*By Mr. Carvell:*

Q. They would be the \$3 a day men?—A. It would depend on the men, Mr. Carvell. They were an available source to draw on.

Q. They would not be the highest price?—A. No, and not necessarily the lowest

Q. Tell us the figures?—A. It might be \$3.25, or \$3.50. That is about all I can remember.

Q. You practically have your 52 men?—A. It is somewhere in that neighbourhood. It might have been 51 one month and 53 another.

Mr. CARVELL: You might average them up, Mr. Kyte.

*By Mr. Carvell:*

Q. Does this include the board of the men?—A. No, we are always living there.

Q. Then they board themselves?—A. Yes.

Q. You simply pay them their wages?—A. That is all, we do not board anybody. It was a stationary plant so to speak.

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Q. What was the fuel consumption per day approximately?—A. That varied very largely, I would not like to say.

Q. It would be unfortunate, having got almost to the end of the rope, not to finish? A. It looks to me as if you are determined to make me use a lot of approximate stuff you might use against me.

Q. I am going to get it approximate. I told you an hour ago we were going to get this. Tell me approximately how much was your fuel consumption, what did it cost you?—A. Some days it was very little and other days it was full capacity.

Q. What is full capacity?—A. About 25 barrels a day.

Q. What do you mean by the words "very little?"—A. Well, there might be days when we were broken down or tied up from bad weather, when we were just using enough to keep up steam.

Q. How much would that be?—A. You are asking me something pretty hard now.

Q. Approximately?—A. Well, never did keep any record, and could not very well tell.

Q. I think you can get nearer than that?—A. It is like banking a fire in a boiler. The amount of fuel depends on whether it is cold or hot weather.

Q. I suppose it does. I have had some experience with banking fires myself. I have had to do with steam engines and furnaces quite a little, and I have some idea of what it takes to bank a fire. But I have not used oil fuel, and I am asking you to give the information. Now, Mr. Woolley, would you say that you used 15 barrels of oil per day on an average? I admit this is only an approximate estimate?—A. I do not know whether we burnt more or less.

Q. I am asking your very best judgment and it is only approximate at that, Mr. Woolley?—A. You mean throughout the whole time when we were working and idle, or all combined?

Q. Yes, the whole thing?—A. That would be pretty close to it.

Q. I think so, and how many gallons per barrel?—A. A barrel of fuel oil contains about 35 gallons, if I remember.

Q. All right, 35 gallons.—A. And in the United States the number of gallons of fuel oil to the barrel is 42, if my recollection is correct.

*By the Chairman:*

Q. How much per barrel did you pay for these 15 barrels?—A. Oh, we paid I think \$1.15 or \$1.20 per barrel.

*By Mr. Carvell:*

Q. Cannot we get at the quantity without reducing it to gallons?—A. I will give the information to you exact if the Chairman thinks I ought to do so.

Q. With all due deference to the Chairman, that does not give the information we desire. Now it turns out that you paid \$18 a day for fuel oil?—A. You are asking if we burnt as low as that straight through the job.

Q. It might be over that?—A. It would run over rather than less. I have given you how much would be consumed when we were running full tilt. Now, count up the days we were working at full speed and you can come pretty close to it.

Q. There was considerable lost time, wasn't there?—A. From June 28 up to the 1st November there was not much lost time, very little.

Mr. CARVELL: Have you, Mr. Chairman, calculated the amount paid in wages?

The CHAIRMAN: I make it \$192 per day.

Mr. PRINGLE, K.C.: I make it a little over \$200.

The WITNESS: It would run over \$200.

The CHAIRMAN: The witness says it would amount to about \$200.

The WITNESS: I say it would run upwards of \$200.

Mr. A. F. WOOLLEY.

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*By Mr. Carvell:*

Q. We have got \$200 for labour, \$18 for fuel oil, now tell me any other item of expense in connection with the work.—A. Drill steels and tools, miscellaneous supplies, rope cables—

Q. Yes.—A. Lubricating oils and greases.

Q. All that would run to \$5 per day?—A. Yes.

Q. Well, how much more?—A. There are lots of other things to be considered: wire, and dynamite and caps.

Q. Would it reach \$5 a day?—A. Yes, it would run over \$100 or \$200 a day.

Q. What would?—A. These other items.

Q. These other items?—A. Yes.

Q. Well, we want to get from you all the figures.—A. I am not going to give you what the fuel oil, the lubricating oil and about fifty different other items cost me approximately and off-hand.

Q. If you cannot give me approximately all these different details, give them in bulk. What would the cost per day of running the whole plant, let us take it in bulk?

Mr. PRINGLE, K.C.: Including explosives.

Q. Yes, give the total approximately, including explosives?—A. That would vary very largely.

Mr. CARVELL: This man is the manager of the business and has a pecuniary interest in it. No man need tell me he doesn't know pretty accurately how much it cost him per day to run a plant like this. The witness can tell us approximately what it cost to run his business and I think he ought to give that information. I am sorry to take up so much time, but I think the Committee can see what I have in mind and why I find it necessary to do so. The witness is in a much better frame of mind than he was an hour ago, but I have not got the whole story yet.

The WITNESS: You think so.

Mr. PRINGLE, K.C.: We can wire and have the books here in five days and save all this delay.

Mr. CARVELL: I think we will get the needed information pretty soon.

*By Mr. Carvell:*

Q. Now, Mr. Woolley, I would like to know what would be the cost of running that plant per day?—A. Under what conditions?

Q. Under the average conditions, of course.—A. As they were over there?

Q. As you ran your plant?—A. That would vary very largely from time to time, from month to month.

Q. Well, take the total cost of the work?—A. Well, it would be somewhere between ten and fifteen thousand dollars a month on the average, I should say. That is as close as I can give it to you.

Q. You say between ten and fifteen thousand dollars a month?—A. The amount might vary within those limits very easily.

Q. How many months did you work?—A. Five months and a little over.

Q. Oh no.—A. Oh yes. There was July, August, September, October and November.

Q. But you said you only did a little trimming in November.—A. But we had a crew there a good part of the month, and paid them. We paid one crew a good part of the time.

Q. You said the cost was from ten to fifteen thousand. Now, I am giving you the maximum amount and your maximum time. That only makes \$75,000 for the time you worked. Am I right in my calculations?—A. That is the calculation.

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Q. And according to the return of the resident engineer Mr. MacLachlan, you expected to get \$128,000 for that work?

The CHAIRMAN: You have forgotten to include any charge for depreciation of plant.

*By Mr. Carvell:*

Q. What do you write off in your annual statement for depreciation?—A. The cost of the annual maintenance and upkeep is rather high for that class of plant.

Q. I am asking you what you write off for depreciation in your annual statement?—A. If you will give me a minute after luncheon and let me think it over, I will tell you what it is, but off-hand I would not like to state it. It is an expensive plant to keep up.

Q. There are many men in this room who have to keep up \$80,000 plants.—A. So I understand. That is the reason I should like to be reasonably close to the mark.

Q. We have a very good idea what the depreciation amounts to.—A. Some kinds of plant only require two or three per cent a month to keep them up. Other plants take very much more.

Q. Now, you wouldn't get very far at that rate before you would pay for the whole thing—in a year?—A. That would be possible in that kind of plant that is true, the wreckage and damage of a certain kind is heavy.

Q. Now we have up till the present time, on a basis of \$75,000 expenditure we have a profit of \$50,000?—A. That would not be extraordinary at all, I have made profits on other works of that much each month, in other places.

Q. That would be in Vaucouver?—A. No, before I ever saw Vaucouver.

*By Mr. Blain:*

Q. Have you ever had losses?—A. Yes, I have lost on rock work at \$11 a yard and I have made money on \$1 a yard; the varying conditions govern everything.

*By Mr. Pringle, K.C.:*

Q. I do not know what figures you have received, but according to your own statement your wages were \$200 a day, and other items of expenditure came to \$75,000.

Mr. CARVELL: No, no, that includes wages and everything.—A. I have stated that the operation cost of machinery might vary anywhere from \$10,000 to \$15,000 per month.

*By Mr. Carvell:*

Q. Including wages, fuel, etc.—A. But it did not include necessary depreciation.

Q. Then you have not taken into consideration the cost of the plant and the overhead expenses?—A. Nothing at all, I am not counting anything else, I am giving my services free, I am assuming my services to be free in that.

*By the Chairman:*

Q. That does not include overhead charges, no insurance or risks of any kind?—A. No.

*By Mr. Pringle, K.C.:*

Q. Then, as I understand it there has only been 18,000 yards paid for amounting to \$72,000.—A. Something like that.

Q. Then you are away in the hole, under those circumstances?—A. I think we are.

Mr. CARVELL: Having gotten this estimate, and I must say that the witness has done very well indeed, I would now call upon Mr. Pringle, who represents the main contractors here, to produce the data furnished them by the sub-contractor, Woolley; I am told, in fact I know, that data is in your possession.

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WITNESS: The sub-contractors are McFee, Henry and McDonald, I am not a contractor.

Mr. CARVELL: I did not mean that in an offensive way. I meant the sub-contractors.

Mr. PRINGLE, K.C.: At the opening of this investigation I made the statement that I wanted to facilitate in every way possible the progress of this investigation and I have endeavoured in every way to do so. We want the whole thing looked into, and we will give every document that can be got to throw light on the business.

Mr. CARVELL: All right, because I think this Committee and I think the Government would like to know what is the actual cost to these contractors of the work.

Mr. PRINGLE, K.C.: You can appreciate that at the present moment we are out of pocket \$20,000 which the main contractors have paid to the sub-contractors on estimates passed by the Department. Cheques were issued to us and we had to pay the sub-contractors as we got the money from the Government and now they are holding back that money with other moneys.

*By Mr. Blain:*

Q. There was a reference in your evidence this morning to the fact that these books, to which you refer, are over in the United States?—A. Yes.

Q. Were the books of your company in connection with this work sent to any other place than the usual place?—A. No, sir, I might explain that Seattle is the head office and the home of all the members of our firm and has been for 25 years. We have always had the office there and the reports are sent to that office. When this work was completed at Victoria we took our plant over to Vancouver and stored it there with some other plant that was doing work going on there at the time, and we sent all the books and all the data down to the main office at Seattle. We had the intention of leaving them there and closing up the whole thing unless we decided to do some other work at Vancouver or in the vicinity.

Q. Was there any disposition on the part of your company to send the books there so that the complete information would be withheld from this committee?—A. No, sir, these books were sent away—I was going to say they were sent away before Mr. Valiquet was there the first time, but I do not think they were, I think they were carried down there somewhere near the time Mr. Valiquet was down there, but if they were not they were lying all packed on the drill boat at Vancouver.

Q. There was no suggestion nor intention on your part, nor on the part of your firm, to withhold any information?—A. No, no question of that kind can apply to my firm.

*By Mr. Bennett (Simcoe):*

Q. What would be a fair rate of insurance for you to pay?—A. I do not know, I did not pay any.

Q. But in a similar case to this, what would be a fair rate?—A. The plant was not insured.

Q. I am aware of that, but what rate would you be prepared to pay?—A. We lost \$5,000 worth of plant coming back.

Q. Allowing for that loss of \$5,000, what percentage would you be prepared to pay if any insurance company would guarantee the safety of this plant?—A. The safety of the plant out there you mean, because it was exposed out there when in working position.

Q. Well, what would you have been prepared to pay?—A. I would have been prepared to pay—

Q. To guarantee you against loss?—A. I should have been willing to pay \$1,000 or \$1,500 a month.

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Q. For carrying the risk. You would have been willing to pay \$1,500 a month for five months?—A. Yes.

Q. In order to bring it from Vancouver to Victoria you had to take the plant right out in the Pacific ocean, so that if it had been dumped there would have been a whole loss?—A. Yes, and it was thought to have been lost for four or five days when we were coming over, my family thought I was lost.

*By Mr. Carvell:*

Q. Did you insure it?—A. No.

*By Mr. Blain:*

Q. Then as I understand you would have been willing to pay \$7,500 for insurance?—A. Quite willing.

Q. And that would be charged up to the cost of your work?—A. To the cost of our work.

*By the Chairman:*

Q. As a matter of fact you did lose \$5,000 of this plant?—A. Yes.

Mr. CARVELL: I do know that this man did not pay \$7,500 insurance.

Mr. BLAIN: You know that he lost money.

Mr. CARVELL: I do not know that.

Mr. BLAIN: He gave that in his evidence.

The CHAIRMAN: It is already found out, and he said it two or three times all right that he lost \$5,000 on his plant.

Mr. CARVELL: The Chairman and some of his friends seem anxious to impress that upon us. I would like to have an opportunity now to continue the examination of the witness.

The CHAIRMAN: You act as though you had not heard that part of the evidence.

*By Mr. Carvell:*

Q. Now, Mr. Woolley, did you pay that insurance of \$7,500?—A. No, I never said that we did, we could not get any insurance.

Q. Did you pay any insurance?—A. Yes, only liability insurance, one that everybody has got to pay.

Q. For labour?—A. Yes, it is the only kind of insurance we could get. Then we had a fire insurance policy, but that was not a very large one, I do not know what it amounted to. It seems to me I saw bills rendered for \$400 worth of insurance.

Q. It is a fact that you carried insurance?—A. Against fire, all the insurance we could get.

Q. Not on the risk?—A. The marine people would not take it there in a working condition.

Q. I want to ask you, I think you stated—at least it was so stated—that you lost \$5,000?—A. Well, approximately that.

Q. I would like you to explain how that happened.—A. Well, we lost our oil scow, steel tank on it, and we lost our scow for fresh water, and our powder house, and quite a bunch of drill steels that were stored on the oil scow—lost at sea on the way back.

Q. When did you lose these?—A. About, I should judge, about 25 miles east of Victoria when we were on the way there towing back after completing our work early in December, I cannot state just the date—the first day we could get a tug.

Q. You place that loss at \$5,000?—A. Yes, in round numbers. And I might as well be fair enough to say that it is possible some of that we may recover, but we have not been able to do so so far; and we have sent tugs there but they have not been able to get away.

Q. Is it beached?—A. Beached and sunk both.

Mr. A. F. WOOLLEY.

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Q. It is not in the sea as Mr. Bennett said?—A. It is in the sea.

Q. Not in deep water?—A. Not in deep water.

Q. We appreciate that is a fair charge to put against the cost of the work.—A. We may recover some of that, we may not.

*By Mr. Davidson:*

Q. In the meantime, it is costing you something to try?—A. Yes, it has already cost us something.

*By the Chairman:*

Q. You have had a big experience in dredging?—A. Quite a bit, sir.

Q. Was there ever a case in history when engineers made an estimate of the amount of rock to be taken out which exceeded the actual amount that was taken out?—A. I suppose that is a pretty big question to answer "in history."

Q. It is a marvellous thing to me. In your history as a contractor have you ever had a contract where you took out less rock than the engineer estimated?—A. I do not think I ever have.

Q. What is the reason of that?—A. I do not know. Here is my opinion of it, and it is purely a question of opinion: the average engineer in making up his estimate tries to make his quantities in the job look as cheap as possible, which is a very mistaken idea. It always brings discredit instead of credit. He particularly wants to cut it out of the rock as that is the higher priced stuff.

Q. The contractor will naturally want to gobble up to that amount of material, if he were to estimate too much?—A. He could not gobble up to any amount that is not there.

Q. They seem to make more than the engineer estimates. It always seems to be on the one side?—A. There are a number of reasons that might be given, and you may not agree with my ideas. The soundings are insufficient sometimes; sometimes when they are sufficient in number it is imperfect and improper interpretation of just what the soundings mean. They are not interpreted by men with enough experience and judgment to tell what they should be interpreted at.

Q. Might not an ignorant man say there was more rock than there actually is?—A. I do not know of any case. They generally get it the other way. If there is any doubt they chop off some.

*By Mr. Carvell:*

Q. Now, Mr. Woolley, have you ever conceived the idea from your long contracting experience that the contractor always want to make the rock as high as he can?—A. How, in elevation, or price or—

Q. In quantity?—A. Any contractor wants all that is coming to him, you know.

Q. And does he not want all of the earth converted into rock which the classification will stand?—A. I would not say that because—I think a dishonest contractor would want that, yes—but the honest contractor wants what is coming to him and no more.

*By the Chairman:*

Q. He does not want the earth?—A. He does not want all the earth.

*By Mr. Carvell:*

Q. Would you not go so far as to say that the dishonest contractor does not want all the earth? Then we can dismiss that. There is not much evidence in that. As practical men, we know that these disputes arise over every contract as to quantity of rock or earth, or the softer material.—A. That is quite true.

Q. I never have heard of a contract but there has been some dispute?—A. I would like to say here, in justice to my firm, and the same thing would apply to Grant,

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Smith & Co.—we are the third contractors, the supposed devil is between us and the other good fellows or bad fellows whichever we may be—I might say here that my firm have a pretty decent reputation.

Q. We have not attacked them.—A. They are always fair and willing to do the right thing, and to accept a reasonable compromise, and would have been in this case; and they hope yet that they will be able to get it settled by some decent compromise that is not too hard on anybody or too strong on the other party. And if we cannot do that we will necessarily have to take whatever recourse is open to us.

Q. That will be a matter between you and the Government. We do not represent the Government.—A. I supposed you had some say. What is all this pow wow?

Q. This does not have anything to do with whether you are to be paid or not.—A. Sort of a talking school?

Q. There is a good deal of talk going on here. We try to make other people talk too, and sometimes we succeed.—A. I see you do.

Q. I want to take you into this calculation regarding the speed with which you drilled material on the 6th day of August. Will you turn to your records now and tell me where your drill plant was on the 6th day of August?—A. (After referring to records) I do not believe I can demonstrate that very clearly here unless I had the map with the soundings plotted on them.

Q. I think I can help you in that regard?—A. If you can that assistance will be acceptable.

Mr. CARVELL: I would ask for the production of the coloured plans produced by the Public Works Department. There was one plan for each pier, and it was coloured. There were certain contour lines on these plans and we had a discussion about the work done inside and outside these contour lines.

Mr. HUNTER (Deputy Minister of Public Works): Those plans were left with the Committee.

Mr. PRINGLE, K.C. : The only plans we had were the ones we brought here yesterday morning, and then Mr. Carvell asked for certain computations and they were taken away to allow Mr. MacLachlan to make them.

*By Mr. Carvell:*

Q. Can you tell me where you were working on the 6th August?—A. We were working on section ranges 220; 220 plus 5; 220 minus 1; 220 minus 6; 220 minus 12; 200 plus 2. We were working apparently on several ranges in that vicinity.

Q. From 200 to 220?—A. Yes.

Q. We will have to get the plan and locate them. Where were you working on the 9th day of August?—A. About range 200 minus 2 or 3. That is starting the very next working day, and 200 minus 8, and so on back. It takes in several ranges.

Q. Take the 10th day of August now.—A. It is pretty hard to read the figures, but apparently it is 240 minus 15. Then we moved out to distance 410, apparently.

Q. To 410?—A. Yes, 400 plus 10.

Q. Where would that be as compared with the 200, how far out?—A. It would be seaward, I imagine.

Q. You use the word "range." Describe what you mean by a "range"?—A. By a range I mean two points in a line on shore marked by targets of some description, a line drawn through which and prolonged will determine the location of the drill boat on some particular point of drill boat over one of the targets. Then the ranges in the other direction act as co-ordinates to the first set of ranges. In other words, the ranges co-ordinate and intersect each other at various locations out in the Harbour. By means of this system, when you shoot one range you have got something to guide you by in moving to the next.

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Q. Do these ranges run practically parallel with the shore?—A. Well, in a general way.

Q. I mean approximately?—A. Sometimes some of them run at right angles to the shore and others in a parallel direction.

Q. If you have one set of ranges running parallel to the shore would you not also have another set of lines?—A. Yes, as near as I can get it, at right angles.

Q. What do you call those?—A. They are both called drill ranges.

Q. Would there be a plan in existence showing all these ranges and their number?—A. No. I do not think the ranges would be shown, but the lines of each of these sections of ranges that we drilled would be shown on the plotting. There is no map of the ranges because some of them were located away off, a thousand feet away.

Q. I have not your practical knowledge, but my recollection is we had such a plan here.—A. It is possible you did, but I do not know anything about it. I never saw such a map.

Q. We had a document here drawn off in parellelograms. There was a certain set of lines running one way and another set of lines running at right angles, and it was explained that you were supposed to drill holes at the intersection of these lines.—A. It would be probably some sort of a diagram showing how things were located.

Q. And they were 100 feet apart. How far apart were the ranges?—A. Well, there was no specific distance. In one direction we generally tried to have them 20 and 25 feet apart. One set of ranges would be comparatively close and another set farther off.

Q. You do not understand me, we are at cross purposes.—A. I think you do not understand me.

Q. I am trying to find out the amount of boring you did.—A I thought you wanted to know how we located ourselves.

Q. I told you we were working at cross purposes?—A. Yes.

Q. Now will you tell me how you located these holes, how many there were, or tell us how far apart they were from one another?—A. They were at various distances, they are given here in the sheet.

Q. Yes, well give us the distance approximately.—A. That all depends, sometimes they were four, five, seven, eight, nine or ten feet apart, at various distances, as much as ten feet apart in the deep cut and in very shallow water only four or four and a half feet.

Q. Then we will say from three or four feet up to ten feet apart?—A. Yes.

Q. Varying according to the depth of material to be removed?—A. It depends upon that, you cannot put them too close together.

Q. The amount of explosives required would depend upon the depth of the hole and the amount of material to be removed?—A. Necessarily.

Q. And you would drill wherever the engineer instructed you to drill?—A. I would not drill any place they told me not to.

Q. The decision where to drill rested with the engineer and not with yourself?—A. The engineer has absolute jurisdiction over the whole work, being an engineer myself, and having been engineer on a work I would readily know what an engineer's proper jurisdiction is.

Q. As a matter of fact I know, I only wanted to get it down on the record.—A. I thought you did not understand.

Q. Then you drilled these holes where you were instructed to drill them by the engineer or somebody acting for him?—A. No, I would not say that.

Q. Wouldn't you? Why?—A. No. I posted myself on the whole layout of the work to be done and I got the engineers to give me the limitations of the work I was to do, and just went at it and drilled it.

Q. I suppose then it would be fair to say you acted under the engineers in a general way?—A. Yes, if the engineers said: "You can't drill here", or "I want this

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done", or "I don't want that done," I would follow instructions, but I knew exactly what was to be done and I did it.

Q. You were given latitude?—A. No, there was no latitude about it. An engineer knows what he has to do, and if he is doing wrong the engineer in charge stops him.

Q. Now from your intimate knowledge of the manner in which this dredging work was laid out, could you take the plan which we have in evidence, which the Chairman has here, and show me approximately where you were working on the 6th day of August?—A. No, I do not think I could, there is not enough detail on this plan here, but if you could get me the regular plan, with the rock rings on, I could do so, I understand the plans are here. This plan you have given me is on a very small scale.

Mr. PRINGLE, K.C.: I understand that Mr. MacLachlan furnished three copies to the Department, and those three copies were brought here. M. Davy gave evidence when they were here and they were put in. Then Mr. MacLachlan brought the originals here yesterday morning, and we were asked to have certain calculations made for which purpose he took them away, but they can be brought back. Mr. Howe says he thinks Mr. Davy took the copies away with him the day he gave evidence.

The CLERK: I said they were before the committee on the day Mr. Davy gave evidence, and that the Public Works Department would be likely to take them back as the plans belonged to them.

*By Mr. Carvell:*

Q. However, the plans are not here and we will get them in some way. Now, you say you could not tell me where your drill plant was located on any particular day not having the plans here?—A. I could not tell you definitely from this plan on a small scale.

Q. Well, we will have to get that later, and I will drop that part of it and go on to another point. You say that whereas Mr. Davy claimed you drilled 74 feet per hour you claim that you only drilled 39 feet per hour?—A. That is my computation.

Q. How do you arrive at that?—A. I take the hours that my own score keeper has figured up as the working time and divided the number of feet drilled by the hours.

Q. Well, let us take this one—I am not going over them all, but take one for example, the first one, and let us see now how you work it out. Here is Mr. Davy's record showing a total of 1489.3 feet drilled by the five drills during that shift?—A. Yes.

Q. What do your records show as the total?—A. If they are kept correctly they should show the same.

Q. This is the morning shift of August 6?—A. (After referring to record). My own score keeper's tabulation is,—this is without checking the addition, he sums it up at 1377.7 for the morning.

Q. And how much for the afternoon?—A. That is for the five drills and for the eight-hour shift.

Q. It is the morning shift here?—A. That means forenoon all right—there, he gets 1482.1—it looks as if they had the morning and the evening record shifted in this printed document here.

Q. That seems to be reversed in some way?—A. Yes, that is what I mean. Here are the original records.

Q. How much is it?—A. 1482.1 yards in the evening shift, and the morning shift 1377.7.

Q. It is only 1278 in Mr. Davy's?—A. This is the original record.

Q. Now there would be another original record, wouldn't there?—A. There were copies made, I believe, of these sheets, Mr. Carvell, showing all the data that is given here.

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Q. That is not my question. Were there any other original records kept, other than yours?—A. No, this is the original, all that I know about.

Q. Would the inspector that was on the drill plant during the time the drill plant was in operation keep record?—A. Oh, yes, the Government record is there on file. I understand.

Q. In fact they were here once, but they are gone, I do not know where they are. A. They are kept, but they are not so extensive as ours.

Q. These are the inspector's reports?—A. Yes.

Q. We can easily make a comparison then if we can find that 6th day of August and take that as an example?—A. I don't know whether you can or not, it is a pretty complicated thing to keep track of.

Q. This is not very bad?—A. It is not as easy as it looks. It may be for you, it is not for me.

*By the Chairman:*

Q. Your records then show 92 ft. more drilled than Mr. Davy's?—A. Yes, but I do not know where Mr. Davy got his figures from.

*By Mr. Carvell:*

Q. I might tell you, Mr. Woolley, that by the Department's record, as you will see here, the No. 1 drill, it gives first "No. of Offset Line" 248, that is what you call the range?—A. Yes.

Q. Then the "Distance of Drill Point from Zero" is given as nothing. "Elevation of Surface of Rock" 25.7; "Elevation of Bottom of Hole" 40, and that would leave 14.3 as drilled in the rock, the total for No. 1 drill is 322.9. A. There it is 14.3 top of first hole, sheet No. 1 A.M. shift August 6. (Indicating his record sheets).

Q. And the next is what 18.2?—A. Yes.

Q. The next 17.5?—A. Yes.

Q. The next 17?—A. Yes.

Q. The next 16.5?—A. Yes.

Q. The next 18?—A. Yes.

Q. The next 18?—A. Yes.

Q. The next 19?—A. Check.

Q. The next 16.5?—A. Check.

Q. The next 17.3?—A. Check.

Q. 18.2?—A. Check.

Q. 17.5?—A. Check.

Q. 19.1?—A. Check.

Q. 19.6?—A. Check.

Q. 20.2?—A. Check.

Q. 18?—A. Check.

Q. 19.5?—A. I do not get any more there. In keeping his records between his inspectors' shift, they may not have terminated their sheets at the same hour as we did. Their watches did not quite coincide with ours. They might work a straight 8 hours or something else.

Q. It is quite possible there may have been some overlapping?—A. That is the point exactly.

Q. I find No. 2 drill was 312.3. It is exactly the amount in the printed sheets. What does yours show?—A. It shows what?

Q. 312.3. A. In the morning or evening?

Q. In the morning.—A. That did not seem to be that total depth I have. It seems to be 277.2, as the one says here.

Q. We won't have to follow any further, because there may have been overlapping

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or discrepancies.—A. I will tell you again, Mr. Carvell, there is another matter. The drills take a certain interval, they have a movable distance of three or four feet.

Q. I quite appreciate there may be some overlapping or discrepancy, I am not going to make any argument. Now, you say that you make an average of 39 whereas Mr. Davy makes 74 per hour?—A. Yes.

Q. I want you to tell me how you arrive at that computation.—A. By dividing up the time shown by my own inspectors as a working time.

Q. Do you make any deduction for the time required for moving from one range to another?—A. Everything, absolutely working times, when the drills were just churning, everything deducted.

Q. For instance, now he gives hours per shift, then he gives the number of drills per shift, then the time deducted in moving. Do you take all of these out?—A. Yes.

Q. And if there was any other lost time, I presume there was other lost time than moving?—A. Yes.

Q. Did you find in your records any lost time on drill No. 1 on the 6th day of August on the morning shift?—A. There is some lost. I take actual working time rather than the lost time, 35 hours and 5 minutes.

Q. In the morning? A. Yes, actual drilling moments.

Q. About 38 he has. What have you?—A. I have 35.05 in the morning, and in the night shift 36.05.

Q. He has only about 20 hours in the morning and you have 35?—A. That is where the error comes in.

The CHAIRMAN: Find out how that error comes.

*By Mr. Carvell:*

Q. Wherein comes the discrepancy?—A. It would look like a reflection on us.

*By the Chairman:*

Q. What are your figures taken from, these time sheets?—A. Yes. All that time was taken off by the boy.

*By Mr. Carvell:*

Q. I will only take the time over the one item. Let us take the morning shift of the 5th August. Tell me what was the length of the shift, was it an 8-hour shift or a 9.30 shift?—A. It was an 8-hour shift. He shows all those things on the sheets.

Q. I won't say what it does show. Will you show me, you have got the tables, which do not amount to hardly as much?—A. They do in some cases, and less in others.

Q. There is not a very great discrepancy.

The CHAIRMAN: 97 feet in 2,700.

*By Mr. Carvell:*

Q. Now, we will take the next, the number of moves you made per shift. Take No. 1 drill, how many moves did you make on that?—A. Every drill had to move all together. They all move at one time.

Q. As a rule, but I think I can see—A. I call it a move when the whole machine moves, just moving a drill did not take any time.

The CHAIRMAN: He has some moving 20 times and others 16 on the same shift.

*By Mr. Carvell:*

Q. See what you have.—A. Do you want to know how many moves were made along the deck line, or how many times we moved the plant?

Q. The plant, in those 8 hours?—A. Apparently only 2, 3—I should say 4 times. I do not know if it finished all 4 of those ranges. I see 4 ranges indicated on one sheet.

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Q. That would be on the morning of the 6th August. Please look along and see if you find any other moves on that morning?—A. I would have to search all of the sheets. It is a thing you can follow so much better if it is plotted down.

Q. Unfortunately we have not the plotting here?—A. You will have it.

Q. Yes.—A. There is four there on No. 2 and possibly five, only there is just apparently one hole started on this sheet for this one drill, whereas the next drill would show five different positions. It may have been only four moves to get started from one and end on another. With that drill working and probably it is third hole on the last position, and the next one is five positions of the machine.

Q. According to your books it looks as though your plant had five positions during that day?—A. Yes, starting on one it looks as though they started on one position.

Q. What would you say would be the average time in moving your plant from one range to another?—A. That would vary very much. It might be 10 minutes or it might be 40 minutes.

Q. You are quite sure you could not tell me absolutely?—A. I could not tell.

Q. I think you can approximately. With your long experience would you say the amount between those two would be the average?—A. It would depend upon the time it would take you to pick up your plant, move on, shoot and move on again. I would say between 15 and 20 minutes.

Q. You have to lift your four spuds and get them down again.—A. Get them down again.

Q. It is easily calculated. Let us say 20 minutes, and you had four shifts. That would be 80 minutes?—A. No, one hour, 20 minutes.

Q. I find that is exactly what Mr. Davy has estimated as the time lost in moving a plant.—A. That may be.

Q. He also has 30 minutes lost time for that morning. Will you please look up your records and see what you find there?—A. I have not got it tabulated in that way, I have only got the time working.

Q. What do you find the time working is for No. 1 drill?—A. I have not summed up. They were counted by the man who made this.

Q. I am trying to find out wherein the discrepancy arises between your estimate and that of Mr. Davy.—A. I would like to know myself.

Q. I find that you agree fairly accurately down to a certain point.—A. Yes.

Q. There is not very much difference as to the number of feet drilled; there is no difference as to the length of the shift; there is practically no difference as to time lost in moving, and then we come down to the actual time lost, which you must have had on your record because you would arrive at the time working by subtracting from 8 hours the time lost in moving, and for every other cause. There seems to be a very great discrepancy between you and Mr. Davy on that point.—A. You have got to consider there were five drills in operation. Their times should be summed up and worked out as though they were a single drill. That is the way it was done here. (Pointing to record.)

Mr. CARVELL: There is a great discrepancy anyway, and it appears to be only a matter of calculation, because you have the records.

The CHAIRMAN: Perhaps the witness and Mr. Davy could get together and see where the discrepancy is.

Mr. DAVY: I got that lost time from the contractors' record sheets.

The WITNESS: That is why I could not understand the discrepancy. My own scorekeeper made these sheets and he had no other interest than to keep them accurately.

Mr. CARVELL: I cannot understand such a great discrepancy in the calculation.

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The WITNESS: The only trouble here is (pointing to his records) that the figures are very hard to read, they are so indistinct.

Witness retired.

Committee adjourned until 8.15 p.m.

## HOUSE OF COMMONS,

COMMITTEE ROOM No. 303,

WEDNESDAY, April 12, 1916.

The Select Standing Committee on Public Accounts met at 8.15 o'clock, p.m. The Chairman, Mr. Middleboro, presiding, and resumed the consideration of certain payments to Grant, Smith & Co. and Macdonell, Limited, in connection with dredging at Victoria, B.C.

Mr. PRINGLE, K.C.: Mr. Carvell, if you want these maps they are here now.

Mr. CARVELL: Yes, I would like to have them.

(Maps produced by Mr. MacLachlan.)

The examination of Mr. WOOLLEY resumed.

*By Mr. Carvell:*

Q. You told me that you would make a comparison between your records and the records produced by Mr. Davy?—A. Yes.

Q. And tell me how you figured your average per hour at 39 feet while his average was 74.3?—A. I used the working hours as stated by the scorekeepers to compile these records, and if you will name any of these particular days I will give you the figures.

Q. I was just taking the first as a sample?—A. I will give you the record all through, if you want it. That is a summary of every day on the job made by the same man.

Q. I do not know I would want to do that because if I do we would be putting in the evidence of a man who is not here.—A. It is all the same to me.

Q. I will just take the first day, the 6th of August, I find in the morning that the total number of feet drilled was about the same on the two records, there was some little difference.—A. Very likely, possibly the question of overlapping.

Q. Yes, and I find the hours per shift the same.—A. Yes.

Q. And I find that the time lost in moving the plant would be about one hour and twenty minutes during the shift.

The CHAIRMAN: There was only one had one hour and twenty minutes; one, one hour and twenty-five minutes, another one hour and twenty-five minutes, and another one hour and forty minutes.

*By Mr. Carvell:*

Q. We will say an hour and a half, possibly that would be the average. I think you agree fairly well with that?—A. Well, I am just going to give you the hour record made on the sheets, and if those are wrong, I am wrong, or both may be wrong.

Q. We will take No. 1 drill?—A. There are 1,500 sheets and it will take quite a long time to work them over, he is familiar with the marks he made on these charts keeping his time. The 6th, you say?

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Q. Yes?—A. On the morning of the 6th my scorekeeper gets a total of 1,377.7 feet, and 1,482.1 in the night or afternoon shift. In the morning shift he gets working time 35 hours and 5 minutes.

Q. Just stop there a moment. Mr. Davy has only given about 21.—A. Well, I do not count Mr. Davy's hours at all, I have merely divided my hours into the quantity given. In the morning our record keeper, and it is on the sheet here, shows working time of 35 hours and 5 minutes. He is presumed to make all the required deductions for loss of time worthy of note, and in the night or afternoon shift we get 36 hours and 5 minutes, making a total of 71 hours and 10 minutes for the day.

Q. And he gets a little over 19 hours in the afternoon shift?—A. Yes.

Q. There seems to be quite a little discrepancy between them in the time worked.—A. If I may say so, Mr. Davy, I suppose, has estimated some little thing, I do not know; of course this is only from the records, and you can use them for what they are worth.

Q. Well now, take the record for just this one day, and, as far as I am concerned, I do not propose to go beyond that. Give me all you have, any memoranda on which you arrive at 35 hours in the morning shift?—A. That is on August 6th?

Q. August 6th?—A. They are all in their regular order according to the dates here. On the top of each sheet is the working time, each drill has a sheet, just like that (indicating). That is drill No. 2; for instance, and that (indicating) is drill No. 5, which do you want, the morning shift?

Q. The morning shift.—A. Well, the morning shift, there is first the quantities all summarized there. There is the total drilling 35 hours and 5 minutes, and the total time lost 4 hours and 55 minutes in that shift, making 40 hours. The total of drill A is 8 hours, sometimes there will be some special delay of which it makes note.

Q. I understand he shows a total delay there of about 4 hours and 55 minutes which leaves around 35 hours of working time?—A. That is what he gave.

Q. Well now we will have to get Mr. Davy to find out how he figured it from the other documents. I understand he figured it from the inspectors' reports. Now I asked you also this morning if you could show me where the drill plant was located on a certain day on these drill plans?—A. Well, without fishing it out here considerably, I could not, unless the dates are marked on these range lines.

Q. You take it and see if the dates are not there?—A. If the dates are on here I can, otherwise I would have to take the scale and check it out.

Q. I think you can do it an easier way; if you take the daily report for the 6th of August won't that tell you on what range you were working during the morning?—A. I do not think they show any dates. His record keeper would keep his range lines in A, B, C, anything he chose to use in his own mind. I am not sure that he kept them the same as we did, I do not know, sir.

(Mr. MacLachlan explains plan to witness.)

A. That (indicating) would be the middle slip, I think, we have what I call the East, the Middle and the West slip.

Q. There is no doubt about that, it is the East slip, pretty well out from the shore. I am only taking the 6th day of August.

Witness retired.

The examination of Mr. J. S. MACLACHLAN resumed.

*By Mr. Carvell:*

Q. That means the bottom is 21 feet 8 inches from the low water level?—A. Yes.

Q. All these figures you are giving here represent the distance from low water to the material?

MR. WOOLLEY: To hard material.

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*By Mr. Carvell:*

Q. Then there will be a question of classification after that again?—A. The material we have returned is the hard material.

Q. I say this has to be classified.

Mr. WOOLLEY: Everything below that is either classified or unclassified.

*By Mr. Carvell:*

Q. Just tell me where you were working on the 6th day of August?—A. The commencement of the boring started at zero, the record shows 21.7 and at 42 feet from that, the elevation was 21.8, at 9 feet elevation 21.5, 4 feet from that the elevation was 23, at 18.5 feet from zero the elevation was 27.5, at 23, it was 24.8, at 27.5 the elevation 24.4, 32 feet from zero 24.7.

Q. There is no necessity of multiplying these, because we can get what we are after in other ways.—A. These represent here the bottom of the hole.

Q. You have given us a few samples. Where is the shore on this map?—A. On the north side (indicating).

Q. Where were you working on the 9th day of August?—A. We were working on the Western side of this boring here (indicating).

Q. But still further away from the shore?—A. We commenced boring at the farthest point from the shore and bored back towards shore.

Q. And the work on the 9th was further away from the shore than it was on the 6th, was it? You started out seaward and went in towards the shore?—A. In a portion of it only. For example, a portion of the work was done on that range 248.

Q. All on the same range?—A. No, on different ranges, running east and west.

Q. The drill plant was lying on or parallel with the shore?—A. Parallel with the shore.

Q. You may have kept travelling but still parallel with the shore, or did you shove out?—A. There was a particular portion of work at the western end of the drilling already done, a narrow area. It was started by working the plant perpendicular to the shore. Then a portion of that drilling done on the 9th day of August was further from the shore than the one you refer to on the 6th.

Mr. WOOLLEY: Some of it was further off shore.

*By Mr. Carvell:*

Q. Could you tell some mark on that plan that will show the nearest point to the shore on which you worked on the 9th day of August?—A. That is approximately from the outside end to the inner end, 90 feet (indicating).

Q. Could you give it the other way, from the bulkhead out?—A. You mean the farthest inward from the bulkhead?

Q. The farthest outward.—A. The farthest out was about 75 feet.

Q. Where would the bulkhead be on that plan on the north?—A. The bulkhead is here (indicating) running approximately east and west.

Q. That is what I thought. I could not understand. You said the shore was in there.—A. (Witness indicates.)

Q. That is north. And where is the bulkhead?—A. The bulkhead runs east and west, parallel with the shore approximately. That is the front face of the proposed cribs. This other heavy line, 35 feet from that, represents the back portion of the cribs.

Q. All right, now where were you on the 10th day of August?—A. (Consults slips) I have the original boring plan if you want them, showing the boring lines.

Q. Possibly that may be some guide.—A. (Plans produced.)

Q. Now, this looks like the plan that we had. Now, on this plan, will you show me where you were working on these days? I will point it out and we will designate

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it by a mark.—A. Of course, we have to do it very approximately on this map. This is a hundred feet to the inch and the other is ten feet to the inch.

Q. You might go back to the 6th of August, first.—A. On the 6th. This is the face of the piers around here (indicating). The piece they were working on was in on the foundations a little to the west of the face of the cribs.

Q. What is the distance down to hard material at that point?—A. At the outside point?

Q. It is 26.24 isn't it?—A. There is no boring there to correspond. That is the solid rock (indicating). Between that point and that point (indicating) there is no boring.

Q. But you have a rock boring inside that point?—A. Certainly.

Q. And it is how much?—A. 34.5.

Q. On the original plans you have a rock boring which shows 34.5.—A. Showing solid rock.

Q. Now, was the work done on the 6th, 9th and 10th August, seaward from the point you have designated on this plan?—A. No, sir.

Q. Where was it?—A. I will give the exact distance from the bulkhead of one of the ranges on which the dredge was working. Approximately there you have a line running parallel to that bulkhead of about 11 feet seaward.

Q. What is the nearest rock boring you have there?—A. Landward of that about 90 feet there is a rock boring of 30.7.

Q. What is the next nearest?—A. There is one of 34.5.

Q. And you worked there on what dates?—A. The 9th and 10th August, and I think the 6th August also.

Q. Yes, you are right, the 6th, 9th and 10th August. I think you were not there on the 10th?

Mr. WOOLLEY: I think we were about that time.

Mr. MACLACHLAN: According to these records.

*By Mr. Carvell:*

Q. Be sure you are correct as to the 10th.—A. Yes, I am perfectly certain as to that, according to these records.

Q. Now take the 11th August.—A. I have got it here (indicating).

Q. Where is it?—A. The first day's work on August 11th in the morning.

Q. There was no section?—A. There probably was.

Q. Give us the range now.—A. Range 400. You want the distance from the return end of the piers?

Q. You are speaking of outward, are you?—A. Inward. From the section inward to the return end of the piers.

Q. Give the distance now?—A. 140 feet from the return end of the piers.

Q. And what is the nearest rock boring you find on that plan?—A. On that line there is no rock boring at all.

Q. On the original plan?—A. On the original plan.

Q. Now, what is the nearest rock boring you find?—A. Eastward of that there is one shown about 110 feet, 47.5 solid rock.

Q. Before you come to solid rock?—A. Before you come to solid rock.

Q. How far east?—A. 110 feet, approximately.

Q. Then from the data on this plan the original plan or borings showed no rock where he was working on the 11th day of August?—A. Well, it is not right to say that, I think, because the rock is represented on one side, and 100 feet from it there is another line showing the rock and you cannot tell what is between. The rock may be below or above.

Q. As represented from that plan?—A. As represented in that plan there is no record shown there.

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Q. Of any rock.—A. Of any rock at the exact place represented by that. (Indicating plan.)

Q. There may be a hubble sticking up between in which there may be rock, and there may be places in which there would be no rock?—A. Certainly.

Q. I am only asking you from the time itself. As shown it does not represent rock.—A. There is no rock boring.

*By the Chairman:*

Q. Just below low water level?—A. This always represents the distance below low water mark.

Q. I am not unmindful of the fact that the question will arise about the classification. I am only talking about what is shown as rock on Mr. Davy's plan. Take now the 12th.—A. I might mention, Mr. Carvell, that on the 11th August also there was some boring done at 435, where no rock was found at all, the machine penetrated that material. That is on the map, where there are no records shown there is no rock, and we didn't consider it necessary to put any material on that because the machine penetrated it.

Q. You do not claim you found any rock outside there that was too soft for the drill?—A. I maintain that the machine penetrated the material and therefore that material could not be classified as rock or hard material.

Q. Then you did not find any rock?

Mr. WOOLLEY: We did not find any bottom at all.

Mr. CARVELL: I will not quarrel about that.

Mr. MACLACHLAN: In the morning on range 385 and 380.

*By Mr. Carvell:*

Q. You might also give the ranges for the afternoon and then you can look them all up together.—A. 345 and 340.

Q. Now find these locations on the original plan.—A. Range 385 is 344 feet, that is approximately, from the return face of pier 3. The lines run parallel to the contour lines of the shore.

Q. Well now, what do you find—at what distance near that point do you find rock?—A. That would correspond to the previous one, of course if you take parallel lines the same remarks would apply to them.

Q. There will be no rock?—A. No solid rock.

Q. That will apply to the 12th, and now as to the 13th?—A. Excuse me, there is one place where there was solid rock there, on a parallel line through the point.

Q. There may have been a foot and a half of rock at that point?—A. Yes, of solid rock.

Q. Now take the next, the 13th?—A. That is all 94 feet along that line parallel to the return face of the pier, approximately 94 feet from the return face of the pier.

Q. All right, now find it on your plan.—A. It is difficult to see it on this map, it is a small scale. The line there through that point is parallel to the cut here, and shows rock at the extreme western end. That wasn't carried out to that point, there is no rock boring represented on the original map.

Q. Now kindly go down to the 1st and 2nd of September and then we will not pursue this any farther?—A. On September 1st in the morning we were working on ranges 458—I have to change these around, ranges 459, 453 and 458.

Q. They are all pretty close together?—A. Yes—I am not sure about this one, I cannot see it very well—Range 453 is approximately 190 feet from the line parallel to the return face of pier No. 3.

Q. Then you can look on the map now and see what you find—what is the closest rock you find there on the plan?—A. 45.5 and 45.1.

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Q. That would indicate there was no solid rock marked on the original plan where they were working that day.—A. No. Of course these measurements are very approximate.

Q. Now then take the 2nd of September—we appreciate now that you are only giving approximate estimates on all these, but I think they will answer our purpose just the same as if they were accurate.—A. On the 2nd of September we were working on range 377 and 371. 377 is approximately 177 feet from the return face of the pier.

Q. Now turn to the plan and what is the nearest rock you find to that?—A. There is no rock below where that line passes through.

Q. Then it stems that with the exception of one or two days on those mentioned by Mr. Davy in your estimate here, you find practically no rock shown on Mr. Davy's plan?—A. The lines pass through where there is no rock borings shown.

Q. I have been pretty careful to ask you if there is rock shown in the immediate vicinity?—A. I have already given you—

Q. You have shown in one case that there was a foot and a half and in the other case there was two feet. Otherwise there was no rock shown on Mr. Davy's plan.

*By the Chairman:*

Q. Was there any excavation to within a hundred feet?—A. There is a rock boring, but there is no solid rock to be excavated within a hundred feet of that.

Q. In any direction?—A. No.

Mr. CARVELL: Thank you Mr. MacLachlan, that will give us the information.

Witness retired.

The examination of Mr. A. F. WOOLLEY resumed.

*By Mr. Carvell:*

Q. I would like you, Mr. Woolley, to show where you started in with your drilling. You can show me on this plan, I think.—A. We started in drilling in the East slip.

Q. And we have been designating that as slip 1, have we not?—A. I do not know.

Q. In this plan, which is in the printed evidence, it is called pier 2 (indicating to witness). That would be No. 1, and that No. 3 (indicating)?—A. I have been calling it East, middle and West.

Q. And how long did you work in the East slip?—A. My recollection is that we commenced there the latter part of June, the 28th I think. We worked there until the end of July.

Q. In the East slip?—A. Yes, sometime towards the latter part of July, I could not place the date.

Q. I presume you could get that data from these plans?—A. Within two or three days of the end of the month, if that is near enough for you.

Q. Where are the other plans? (Plans produced). The colouring on these I think, shows June is marked yellow. You see no yellow on this one (indicating)?—A. That is not the slip.

Q. You see no yellow on this plan (showing another plan)?—A. I see some colour.

Q. I think that is brown. There is the yellow, it is quite distinct?—A. Here is the yellow (indicating).

Q. And you see no yellow on that (indicating)?—A. No.

Q. As a matter of fact, there is none. If the engineer be correct in his plans he says—here is the key "Monthly Progress" (indicating). All work done in the month of June was done on the East slip?—A. Yes, there was only two or three days.

Q. Now, we will take the month of July, July is marked green.—A. I presume this colour is green (indicating).

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Q. It is. There seems to be a large amount of work done in the month of July?  
—A. Yes.

Q. On the East slip?—A. Yes.

Q. We have now August, would this be pier 2, the middle one?—A. The middle slip.

Q. And, of course, you see some green there (indicating)?—A. Apparently two colours, a kind of a pink and green.

Q. Of course, the key will show you?—A. The key does not state what the colours are.

Q. Oh, yes.—A. It did not state what the colours are.

Q. You and I can agree it is green.

THE CHAIRMAN: The colour is not named in the key.

THE WITNESS: It is not named in the legend.

*By Mr. Carvell:*

Q. We won't quarrel about that.—A. It is pink and green, or some shade of blue.

Q. Anyway, the greater portion then of your work in the month of July was on the East slip?—A. Yes.

Q. Now, we will take next the month of August?—A. Yes, sir.

Q. And August is what is called—A. That is this little strip here (indicating).

Q. That is pink. There seems to be a large amount. Take these two plans together in the month of August, because they would be August?—A. The work starts some time in August, somewhere before the middle of the month, and we worked over here until the end of the month.

Q. Where?—A. Over this whole West slip area (indicating).

Q. Now, you did then some drilling in the month of July?—A. Oh, yes, we did drilling in the month of July, in fact we drilled all the month of July.

Q. Would your records show generally how much drilling?—A. Oh, yes, it shows every day for the job from beginning to end. Every day is there among these records, a copy of which you have on file.

Q. Did you have them summarized?—A. In the form I showed you they are. They were summarized by the score-keepers.

Q. Does that show the yardage or the number of feet drilled?—A. Just the feet drilled.

Q. Let us have that, if you will, the summary of the number of feet drilled in the month of July?—A. Are you willing to take this list?

Q. Just tell us from that.—A. They correspond.

Q. We will take your word for that.—A. If they do not it is up to the chap that copied them.

Q. We are not going to think you will misstate the figures.—A. I have it here for every day worked and every month that we worked.

Q. I am asking you for the month of July?—A. I am explaining what I have—every day and every month, and then we have just a little summary on each month by month.

Q. That is what I am asking for the month of July?—A. For June or July?

Q. Take both.—A. Month of June: Total drilling, 267.3 feet; total drilling time, 76 hours, 15 minutes. For the month of July, total feet drilled, 8,608.5, drilling time, 1,364 hours and 35 minutes. August, 22,669.3 feet, and total hours, 1,401, no minutes. September, 10,722 feet, no tenths given, drilling time 1,204 hours and 40 minutes. October, 4,416.1 feet, drilling time, 1,226 hours and 5 minutes. November, 615.7 feet, 217 hours and 55 minutes drilling time. Do you want the total for the whole thing added up?

Q. You might as well give it?—A. I will give it as the total, I have not even

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checked it. Total feet drilled, or grand total, 47,298.9; drilling time, 5,490 hours and 30 minutes.

Q. Now, what was your grand total of feet drilled?—A. 47,298.

Q. And what was the total for the month of August?—A. 22,669.

Q. Pretty nearly one-half was done in the month of August?—A. Yes.

Q. What a pity they had not all been August's?—A. I would rather they had been other months because there was a heavier deduction made in August than in other months.

*By Mr. Pringle, K.C.:*

Q. Have you got the average there?—A. The average of what.

Q. Of the drilling per hour.—A. The average is 8½ per hour from the beginning to the end of the job .

*By Mr. Carvell:*

Q. Take them by months. What is the average per hour for the month of June?—A. Roughly 3½ foot per hour.

Q. Now take July?—A. A little over five.

Q. August?—A. August is 16½.

Q. September?—A. September is 8 feet. It might be a little more or less. I am not actually dividing.

Q. October?—A. October, a little less than four feet.

Q. November?—A. November, there was just a little trimming. There was not much done. It was three feet, the average for the whole being 8½.

*By Mr. Pringle, K.C.:*

Q. You say the largest deductions were made in August?—A. Yes, we were working in closer where there was soft ground.

Mr. CARVELL: I suppose somebody will be able to give us the actual deductions. (To Mr. Pringle) Have you a copy of that contract made between Mr. Woolley's company and McDonald?

Mr. PRINGLE, K.C.: Mr. Wooley, have you got your copy of that contract?

Mr. CARVELL: You already have a letter in evidence.

The WITNESS: I understood Mr. Pringle was going to get a copy of that. He said we should keep our original.

Mr. CARVELL: But it was already in evidence.

The WITNESS: Oh, yes.

Mr. CARVELL: (Reads)

"I will pay \$4 a yard to you for drilling and shooting rock that I have under contract in Victoria Harbour, approximating 40,000 cubic yards. Rock to be broken so it can be handled by a four yard dipper dredge."

(To witness) That is produced as one of the originals of the contract between your company and Mr. McDonald.

The WITNESS: Yes, sir, a duplicate I suppose. I am not sure about that. I think Mr. McFee brought the contracts over in duplicate. They were supposed to be the same.

Mr. CARVELL: Unfortunately they are not. That is the reason I asked to see Mr. McDonald's copy.

The WITNESS: Let me see that copy you have. Do you mind my seeing it?

Mr. CARVELL: No. That is why this morning I did not wish to see your copy of the contract, I wished to see that of Mr. McDonald.

The WITNESS: I see no difference between them.

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Mr. CARVELL: Look at the quantities.

The WITNESS: I see something here in pencil.

Mr. CARVELL: Don't you see something struck out?

The WITNESS: Certainly I do. It is no work of ours. These ink interlineations were put in here before McDonald signed it by our president J. G. McFee and are initialed by him. No other changes are good except those initialed changes.

*By Mr. Carvell:*

Q. I am asking you if you do not see differences in the document.—A. I see that difference.

Mr. CARVELL: Mr. Chairman, I wish to read this document and then we will have it copied into the evidence. You will find, if you follow me, that except for the interlineations, one is an exact copy of the other. (Reads)

“FF 3.

“AGREEMENT made this 13th day of July, A.D. 1915.

“Between:

“McFEE HENRY & McDONALD LIMITED, a company incorporated under the Companies Act of the province of British Columbia, having its registered office in the city of Vancouver, British Columbia, hereinafter called

“The party of the first part:

“And:

“C. E. McDONALD, of the city of Victoria, in the province of British Columbia, hereinafter called,

“The party of the second part.

“WHEREAS Messrs Grant, Smith & McDonald have entered into a contract, with the Government of the Dominion of Canada as to the improving of the Victoria Harbour, Vancouver Island, British Columbia.

“AND WHEREAS Messrs. Grant, Smith & McDonald have sub-let part of the said contract to the said party of the second part, which provides for the removal of earth and rock.

“AND WHEREAS the party of the second part has agreed with the party of the first part to do all the drilling and shooting of rock necessary to be done in the Victoria Harbour, so as to fulfil his contract entered into with Messrs. Grant, Smith & McDonald.

“AND WHEREAS the party of the first part has agreed to do the necessary drilling and shooting of rock, subject to the terms and conditions hereinafter specified.

“NOW THEREFORE it is agreed upon between the parties hereto as follows:

“The party of the first part agrees to do all the drilling and shooting of rock which the party of the second part finds it necessary to have done under contract entered into by him with Messrs Grant, Smith & Company as to improvements and dredging to be done in Victoria Harbour, Vancouver Island, British Columbia.”

I come now to the interlineations. The words as typewritten are: “The yardage amounting to approximately 40,000 cubic yards.” With the interlineations in pencil it will read: “The rock yardage as estimated by Government Engineer amounting to approximately 40,000 cubic yards.” I want to give the whole story. On the margin are the initials “G.M.” Which without doubt are the initials of Mr. Mallory.

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Mr. PRINGLE, K.C.: Who made the change?

Mr. CARVELL: Mr. Mallory made the change.

Mr. PRINGLE, K.C.: Why did he not change both documents?

Mr. CARVELL: He only had one in his possession.

Mr. PRINGLE, K.C.: Both were executed at the same time.

Mr. CARVELL: He was not there when they were executed. He will explain the whole thing. I may tell you he was the man who told me this morning to look up this contract and that I would find these changes there. That is the reason I wanted it in evidence.

The CHAIRMAN: Mr. Mallory told you that?

Mr. CARVELL: Yes.

The CHAIRMAN: He would certainly know if he put his initials there.

Mr. CARVELL: He told me his initials were there and that is the reason I asked for the production of McDonald's copy of the contract.

The CHAIRMAN: It is up to Mr. Mallory to explain why he put the changes in the contract and when they were put in. It is certainly not in Mr. Woolley's copy.

Mr. CARVELL: The way the contract reads here now is:

"as to improvements and dredging to be done in Victoria Harbour, Vancouver Island, British Columbia, the rock yardage as estimated by Government Engineer, said rock to be broken in such a manner that it can be handled by a four yard dipper dredge, it being understood that the party of the first part is to furnish all labour and equipment for the doing of the said work, and it being further understood that the party of the first part is not to be obliged under this contract to remove the rock after drilling and shooting as aforesaid.

The party of the second part covenants, promises and agrees to pay to the party of the first part the sum of \$4 per cubic yard for drilling and shooting rock, payment to be made to the party of the first part"—

I come now to the interlineations in ink. The words typewritten are: "payment to be made to the party of the first part on the 25th day of each month during the continuance of this contract". With in the interlineations it will read: "payment to be made to the party of the first part about the 25th day of each month, when payment has been made by the Government, during the continuance of this contract." These changes are initialed by, I would say, J. G. McFee. (To the witness) Is that right?

The WITNESS: Yes, McFee.

Mr. CARVELL: And also "C. E. McD." That would be McDonald.

The WITNESS: Yes, sir.

The CHAIRMAN: Will you read the balance of that clause?

Mr. CARVELL: (Reads):

"during the continuance of this contract for the number of cubic yards drilled and shot in the preceding month, the certificate of the engineer in charge of the work as to the number of cubic yards of rock drilled and shot to be accepted by the parties hereto."

The CHAIRMAN: That really makes it conform to the amendments.

Mr. CARVELL: It conforms to the amendments.

The CHAIRMAN: So, putting in those words would not make any significance?

Mr. CARVELL: Well now, that 40,000 yards should come out of this.

The CHAIRMAN: And the number of yards estimated by the Government engineer.

Mr. CARVELL: Certainly, it is all there. McDonald is not bound to us in any way.

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*By Mr. Carvell:*

Q. I think the evidence will be that is the reason it was changed. However, that is the contract under which you worked?—A. Yes.

Q. How much money has your Company received under this contract?—A. From my best memory some \$70,000 odd are the total payments to date.

Q. The total to date?—A. Yes.

Q. And you have claims, of course, for a certain amount of rock drilled which have not been paid for to the main contractors, as I understand it?—A. Yes, sure.

Q. Were you paid the full \$4 a yard for all rock drilled and blasted whether removed or not?—A. No, sir.

Q. How much were you paid?—A. We were paid half our price, less ten per cent.

Q. We find that in the case of Contractor McDonald, rock which had been drilled and blasted out but not removed was allowed at 50 per cent of the price?—A. Yes, half price.

Q. Then you also received half price less 10 per cent?—A. Yes, less 10 per cent.

Q. That is always held back in every case. Did you and Mr. Mallory have any difference of opinion upon the question of whether you should receive half or whole price?—A. We did.

Q. It was a somewhat warm difference of opinion?—A. It was a heated discussion.

Q. And that, I think, occurred during the early progress of the work?—A. The first payment.

Q. And after that discussion with Mr. Mallory you preferred your money coming through Grant, Smith and MacDonnell?—A. Yes, we did.

Q. And it was after your discussion with Mr. Mallory about that question of being paid half or full price?—A. What was that?

Q. That you asked to have your money paid through the original contractors?—A. Yes.

Q. Now, there is the letter, Mr. Woolley, and as it is on the record we do not require that any further.—A. That was just to point out what we wanted and we started right there.

MR. CARVELL: Now, Mr. Chairman, I will offer this document in evidence to have it copied on the record and as soon as it is copied it can be returned to Mr. McDonald.

THE CHAIRMAN: You can mark it as an exhibit and you can establish the changes afterwards. You agree to call Mr. Mallory again to see if there are any changes.

MR. CARVELL: Certainly, if you will kindly initial the document so that we can indentify it.

*By Mr. Pringle, K. C.:*

Q. In regard to the amount you have been paid I find that Mr. St. Laurent reports that the amount of material paid for was 18,164.7 cubic yards. I suppose that is what you have been paid for?—A. Approximately, from my best memory the yardage is to these two unit prices, material drilled and shot, and if it is removed by another contractor we get our full \$4 minus 10 per cent, if it is shot, we get half price.

Q. That is approximately what you have been paid?—A. Approximately, yes.

*By Mr. Carvell:*

Q. If there is no change in the classification as established by Mr. St. Laurent, you would still be entitled to a little over \$7,000?—A. I haven't made any calculation on that, I do not know.

Q. That would be 10 per cent?—A. We have our 10 per cent coming to us.

Q. And in addition to that you would also be entitled to 50 per cent for a certain

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number of yards held in abeyance?—A. Yes, 50 per cent, and of course 10 per cent, and half price.

Q. I am not asking you to give it accurately at all.

*By Mr. Pringle, K. C.:*

Q. You received approximately \$70,000, within one or two thousand of that?—

A. Somewhere in that neighbourhood, I would not say, more or less, it might be more or it might be less.

Q. Your expenses have exceeded by a very considerable amount anything that you have received up to date?—A. Well——

*By the Chairman:*

Q. At \$4 a yard the amount you have received must be about \$72,000 or \$73,000?

—A. It all depends upon whether we got paid the full amount. There is of course depreciation of plant and things like that that could be charged up against the work.

*By Mr. Pringle, K. C.:*

Q. You know, at any rate, that a wire has been sent tonight by night letter rate for all these particulars to be forwarded so as to put them before the Committee?—

A. Sure, there is no objection to having them here.

Q. Now with regard to these borings during July, August, September, October and November; August appears to have made the most progress but there were the largest amount of deductions?—A. That was the most rapid progress of, any month we made.

Q. Why was that so rapid?—A. There was a larger percentage of softer material on top that had not been taken off by the dredge at first.

Q. Were you allowed for that?—A. Every deduction on soft material was included.

Q. Your heavy deduction was in August?—A. Our heaviest deduction was I think in the month of August, but the engineer would figure that, I did not figure that very definitely.

*By the Chairman:*

Q. What was your average for the contract?—A. Our average for the whole contract for working time, as shown by our own records which are on file here, was 8.6 feet per hour.

Q. How did that compare with other similar contracts— with the Vancouver contracts for instance?—A. Well, it is probably slower. I have never really compared them, Mr. Chairman. I might say just there——

*By Mr. Pringle, K.C.:*

Q. I might ask you this: You have had a large experience in submarine work. Have you struck in any other harbours similar material to this which has been allowed as rock under a similar specification?—A. I have struck material——

Mr. CARVELL: You say "under a similar specification"?

Mr. PRINGLE, K.C.: Yes.

The WITNESS: Under a similar specification I have had rock prices in material that I could drill very much more rapidly than this. In fact, 50 or 60 per cent of it I had dug out with an able bodied dredge without drilling and blasting at all, did not have to drill or blast, positively specified.

Mr. CARVELL: Do you think what may have taken place on another contract is any evidence as to what should happen on this contract?

Mr. PRINGLE, K.C.: I do not think it is really evidence.

The WITNESS: The conditions are so different, if you will allow me to butt in.

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Mr. PRINGLE, K.C.: I think each contract should stand on its own feet.

The WITNESS: It is a question of finding an adjustment, I think.

*By Mr. Carvell:*

Q. Mr. Woolley, it is a question that has to be thrashed out in practically every contract that has been entered into—the fight between engineers and contractors over classification. That is the whole story?—A. I think it is. It takes two fair minded men to agree what is a reasonable amount, either that or a law suit, or somebody backing out.

*By the Chairman:*

Q. Do you think fair minded men get into a lawsuit?—A. Well, that all depends.

Mr. PRINGLE, K.C.: Do you wish to examine Mr. Woolley further, Mr. Carvell?

Mr. CARVELL: No.

Mr. PRINGLE, K.C.: Then we might as well go on with Mr. Maclachlan.

Witness retired.

The examination of Mr. J. S. MACLACHLAN resumed.

*By the Chairman:*

Q. You have been sworn before?—A. Yes.

Mr. PRINGLE, K.C.: I do not know that there is anything I want to ask further from Mr. Maclachlan. He is your witness, Mr. Carvell, at least, I am practically through, I have everything I want from him.

*By Mr. Carvell:*

Q. Now, Mr. Maclachlan, as I understand, the plans before you show the location of the drilling in the different months. What I call the yellow colouring is June?—A. The work for each month is shown in different colours.

Q. June is yellow?—A. As near as I can see in this light, it looks like yellow.

Q. And what colour do you call July?—A. Apparently green.

Q. And August?—A. August is a pink colour.

Q. And September?—A. September is a brownish colour.

Q. You and I can agree on colours. Can you tell me approximately how much rock would have been drilled in the month of June?—A. Well, I cannot tell you off hand, I can get it for you in a short time though.

Q. If it would take too long?—A. I could not give that here.

Mr. PRINGLE, K.C.: Thinking that information would be required by the Committee, I am having it all worked out by Mr. Patterson, who is getting it as quickly as he can, and I hope to have it to-morrow or next day, the whole thing. And then you can have any of the Government Engineers check it. I thought the Committee might like to have it for each month.

Mr. CARVELL: Are they showing what the borings would represent in each month?

Mr. PRINGLE, K.C.: They are taking exactly the data that is put before them. I asked Mr. Patterson if he was familiar with this class of work, and he said he was, that he had had experience on the Cardinal submarine work. I said: If you are given these borings and these plans, can you get out this information? He said he could, but that it would take him some little time. He has been working on it, but we had to take the plans away from him to-night to bring them here. Of course, he is going on the assumption that the data is correct

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The WITNESS: He has nothing to work on at these plans now, because I had to take them from him to-day. You wanted them.

*By Mr. Carvell:*

Q. I suppose, Mr. MacLachlan, as resident engineer, you have gone over the cross sections of these original areas, 1, 2 and 3, because it seems to be in evidence here, and not disputed by anybody, that the original areas marked, I call it a pink shade on this plan——?—A. Can I see that, sir?

Q. It is the document we all have here (handing witness lithographed plan in evidence)?—A. I have not gone into this closely. I have seen it in a general way.

Q. Mr. St. Laurent made out that plan, and you must have that data somewhere. Have you ever checked up the amount of rock, and where it was found, that made up that 4,300 yards?—A. I have attempted to do it several times. I don't think any two engineers, any two competent engineers, will agree on the exact quantity derived from the original plan.

Q. I daresay not, as to the exact quantities, but approximately?—A. Not even approximately.

Q. You say not even approximately?—A. Not even approximately.

Q. Have you ever attempted to figure up the total quantity of material to be removed prior to Mr. St. Laurent's latest revision?—A. I don't understand that question.

Q. I think it is plain. Have you ever checked up the total amount of material to be removed prior to Mr. St. Laurent's recent revision?—A. I certainly have.

Q. And what did you make of it?—A. You are referring to the quantity of rock or the total quantity of material?

Q. The total quantity of material?—A. Speaking from memory I think it is somewhere about 60,000 yards. That is rock and earth, hard material and rock.

Mr. CARVELL: And Mr. St. Laurent, or Mr. Davy, gives around 51,000 yards.

Mr. PRINGLE, K.C.: That was before the change.

Mr. CARVELL: Certainly, before the change.

The WITNESS: It is impossible to go into details in the plans here. I know I calculated the quantities, and I have a recollection it was over 60,000 yards, from the soundings taken. These quantities were prepared from original soundings taken by myself before the work was started.

Q. Would that now mean the total quantity of material as the work now stands completed?—A. If all the material was removed. It would represent, if I am correct in my estimates, the total amount to be removed of all material.

Q. That would amount to 60,000 or 61,000?—A. Yes.

*By the Chairman:*

Q. Does that also include what is marked on this plan as the areas left out of original estimates?—A. That includes that also.

*By Mr. Carvell:*

Q. Then that total quantity would be round 60,000 yards?—A. Yes.

Q. As I understand Mr. St. Laurent, he found certain material had been removed which had not been computed heretofore?—A. Yes.

Q. Amounting somewhere in the vicinity of 9,000 yards?—A. Yes.

Mr. PRINGLE, K.C. 8,760 yards. That, with the former estimate, makes about 60,000.

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*By Mr. Carvell:*

Q. You subtract that from the 60,000 yards and get the 51,000 yards?—A. Very possibly that was the way it was arrived at, I cannot say.

Q. Perhaps the 60,000 would be obtained by adding the 9,000 on the original estimate?—A. I cannot say that. I do not know how it was arrived at, but those would be the figures certainly.

Q. Then you do accept 60,000 yards as being approximately the total quantity of the material removed?—A. As calculated by soundings taken by me, or by my men, since the work commenced and before the work was carried out.

Q. And on your experience on the job both before and since the work was finished?—A. Yes.

Q. I presume you agree with the portions marked green and brown on this plan (indicating plan) representing the additional areas referred to by Mr. St. Laurent?—A. Well, I understand Mr. St. Laurent in endeavouring to find out the additional quantities which should have been taken out probably had to add all those coloured areas. He mentioned that to me when he was in Victoria.

Q. I think his plan seems to be quite accurate and specific. It says the pink shade—you call that word “shade”, do you not?—A. Yes.

Q. Is what?—A. “Areas where solid rock is found should be shown thus”. That is where he found solid rock.

Q. It is all of that portion?—A. Excuse me, sir, it is solid rock here also (indicating).

Q. I am coming to that. I am taking the original plan on which the portion marked pink indicates what Mr. St. Laurent considered to be solid rock at the beginning. Is that represented?—A. Evidently from that, yes.

Q. Then there is also a pink portion that is not shaded?—A. Yes sir.

Q. What does that represent?—A. I don't know what that represents, it is not shown here.

Q. You think it is not marked there?—A. Well, I think it would be a fair assumption that it shows unclassified material. You can tell by following the contour line.

Q. Just follow out the contour line and you will find it very plain, I think?—A. I don't know what it could refer to as far as material is concerned. Everything inside of the 36 feet contour was to be dredged; but I do not know what the material is as shown here.

Q. The pink shaded portion shows what is rock?—A. Yes, the deep pink shade.

Q. Then if the remainder is not rock it must be earth?—A. But there is another colour.

Mr. CARVELL: That is Mr. St. Laurent's additional work.

Mr. PRINGLE, K.C. That is shaded green.

Mr. CARVELL: There is a green and brown shade.

*By the Chairman:*

Q. There is nothing to show what the brown shade represents?—A. I don't know what it is.

Witness retired.

Mr. ST. LAURENT recalled and further examined.

*By the Chairman:*

Q. Will you explain what these coloured areas represent (indicating plan)?—A. The pink coloured area represents loose material.

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*By Mr. Carvell:*

Q. All earth?—A. All earth. We will keep to that term. Now anything outside of the hatched area is earth material.

*By Mr. Pringle, K.C.:*

Q. Might I ask you this question. The hatched areas, both the pink and the green, represent solid rock? It is not the hard material?—A. That is the solid rock area.

Q. You made 13,060 yards in the solid rock area as against an original estimate of 4,300. That does not take into consideration any hard material which might be classified as rock?—A. Yes. I did not find any hard material that was hard enough to classify as rock.

*By the Chairman:*

Q. What is puzzling me is why you marked some of the earth material pink and some brown?—A. Because this is an additional area which was left outside of the original quantity.

*By Mr. Carvell:*

Q. I think I will get it all explained very clearly if you will allow me to proceed. I think I understand it. Let us go over it again. We will take the three original areas: do I understand you to say that these shaded pink areas were originally considered as solid rock?—A. The hatched areas were considered as rock areas under the original plans or borings.

Q. Then taking the pink area which extends eastwards from the hatched area, that was considered by you to be earth?—A. Earth.

Q. Now, we find strips of green. There are two fairly large patches of it, the largest is in area No. 3 and the smallest in area No. 1, and in all of the areas there is a strip running around the edge, which is marked green. What does that represent?—A. That represents additional rock excavated. Everything that is hatched there represents additional rock excavated, because in calculating the original quantities that are on the schedule of tenders they allowed only two feet around the cribs instead of ten feet as shown on the contract plans.

Q. Now, to be accurate, Mr. St. Laurent, you do not mean to say that is all rock: you mean that is the rock area in which some portion would be earth and some rock?—A. Yes, the rock is covered with soft material.

Q. And the borings would show how much is rock and how much is soft material. Now take the portions marked brown, you will find them on your brown one, No. 2, and they seem to extend seaward from the rock areas. A. They represent rough material which I understood was left aside, left out of the aggregate quantities when they made their original estimate.

Q. And if the calculations are correct then the areas marked hatched pink and pink should show around 51,000 cubic yards?—A. Well, I will not vouch for the quantities of earth mentioned in the original quantities because I found the quantity of rock wrong and I want the opportunity of going over it.

Q. I do not want you to be bound by that, but that was the intention?—A. That was the intention.

Q. That was the calculation?—A. I cannot find out the first man who took the quantities, on what line he calculated his aggregate, his 47,000 cubic yards that he mentioned as earth—whether that is correct or wrong I cannot say as the man is gone.

Q. Now the two colors, the pink hatched and the plain pink were supposed to represent 51,000 cubic yards?—A. Yes.

Q. And the whole colored area including the hatched pink and the pink, the hatched green and the brown would represent approximately 60,000 cubic yards?—A. I

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got some estimate from Mr. Maclachlan, who calculated from sections he had made, soundings made immediately before they commenced the work, and his figures were 62,000 cubic yards.

Q. All right, we will call it 62,000 cubic yards, approximately. A. Yes, according to the last sections taken by Mr. Maclachlan.

Q. Then it would be an addition of around 11,000 cubic yards to be added to the original estimate?—A. Yes.

*By Mr. Pringle, K.C.:*

Q. I want to ask you one question, in your evidence I see you quote Section 23, which reads as follows:

“The materials to be excavated, consist of earth and rock which shall be removed separately by two operations of ordinary dredging and blasting. All the earth overlying the rock must be removed first, any quantity of earth which is supposed to be sand and clay that may be removed at the same time as the rock, shall be paid as earth.”

and then further on you quote this Clause:

“All material overlying the rock that can be removed with a dredge shall be considered as earth”

Now in your report you never referred to the first part of Section 23 which gives the classification of earth and rock, which says:

“The materials to be excavated consist of earth and rock which shall be removed separately by two operations of ordinary dredging and blasting”,

would not your interpretation be that anything that could not be removed by an ordinary dredge would be classified as rock?—A. No, sir.

Q. Why not—what is the meaning of it, then?—A. First the specification would not carry in this connection that all material that wasn't removed before drilling was hard material, and should be classified as rock.

Q. The thing seems to be pretty clear, that the materials to be excavated consist of earth and rock which shall be removed by two operations of ordinary dredging and blasting. Would not the only operation be the removing of that earth by an ordinary dredge, what other operation is possible?—A. One operation, would be simply the dredging, and if it could not be removed by the dredge it would have been rock.

Q. Then when you come to read the clause which you referred to in your report: “All materials overlying the rock that can be removed with a dredge shall be considered as earth”, then the materials that cannot be removed with a dredge are to be considered as rock, are they not?—A. Material that cannot be removed.

Q. If it cannot be removed by a dredge should be considered as rock?—A. Yes, if it cannot be removed by a dredge.

Q. Well then, when you come to designate the dredge would not that be an ordinary dredge? Wouldn't you have to read this contract that way?

The CHAIRMAN: You mean that the dredging should be done by an ordinary dredge?—A. There is no word “ordinary” there, it simply states “a dredge”.

Q. Would not the implication there be in the proper meaning of the word, “ordinary dredge”, to use a dredge that is used in excavation and not an extraordinary dredge?—A. I would take it as that, sir, but I must tell the Committee that in the way of dipper there is no mistake made as to the material that can be removed by a dipper dredge. Dipper dredges have been built to move material from mud up to rock. I have seen myself dipper dredges remove hard shale, but I do not go as far as that in my interpretation of this specification.

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Q. If an ordinary dipper dredge could not remove the material then it should be classified as rock?—A. If it could not remove the material.

Q. If it could not be removed with the ordinary dipper dredge it should be classified as rock under this specification?—A. It should be, certainly, if it could not be removed.

Q. That is the way I understand it; I want to see if you understand it the same way.—A. I understand that an ordinary dredge is a dredge that can remove hard material, that was a dredge built for that purpose.

Q. Take the *Puget Sound*, isn't that an ordinary dredge?—A. It is an ordinary dredge, yes.

Q. And if the *Puget Sound* could not remove this material shouldn't it be classified as rock?—A. I do not think so, sir.

Q. Why?—A. Because there are more powerful dredges that are ordinary dredges. There are dredges, larger ordinary dredges, that certainly could remove what they called hard material there. For instance the *Ajax* went there and removed all the material around the cut without any undue strain.

Q. Well now, let us in the first place see whether you and I agree on the interpretation of this dredging specification. Are you agreed that the specification means that any material that cannot be removed by an ordinary dredge should be classified as rock?—A. An ordinary dredge that could remove hard material. A dipper dredge was able for that.

Q. Let us understand one another, let us understand this contract. I suppose there is no use in my pointing out to you, because you are so familiar with it, that section 6 of your contract provides that in order to construe the contract the whole has to be read together. You know that?—A. Oh, yes.

Q. You quite appreciate that. Section 6 of the contract provides for that. Now, when you come to read section 23 altogether, in one place it refers to "ordinary dredging" and then it refers to "a dredge" so that "a dredge" would mean an "ordinary dredge", would it not?—A. Not necessarily.

Q. An ordinary dipper dredge used for that class of material?—A. A dredge would not answer. An ordinary dredge, if I wanted to push the thing to an extreme, a dredge can remove even stratified rock, a dipper dredge could remove hard shale. I have seen an ordinary dredge at Port Arthur removing hard shale.

*By the Chairman:*

Q. Did they get paid 50 cents a yard for it?—A. Around that, 50 or 60 cents.

*By Mr. Pringle, K.C.:*

Q. Now, then, let us see if we can get near one another on this construction?—A. I do not think so.

*By the Chairman:*

Q. Did they only get 50 cents a yard on that contract?—A. I could not say exactly what price they got.

Q. Do you think they only got 50 cents a yard?—A. 50 or 60 cents.

Q. For that hard shale rock, do you think they only got 50 cents a yard as earth?—A. I think, if I remember well, they claimed more, they claimed rock prices for it.

Q. Did you only allow them 50 cents a yard for all that material which they removed as shale rock?—A. I had nothing to do with the allowing of the prices. I am simply stating that I have seen a dredge—

Q. You do not know what they got paid for it?—A. They got paid between 50 and 60 cents.

Q. You think they did?—A. Yes, around that.

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By Mr. Pringle, K.C.:

Q. Well, as I have pointed out to you, we have section 6 of the contract which specifically sets out how the contract shall be construed, that the several parts of this contract shall be taken together to make the whole consistent. In view of that, and in view of the language in section 23, you agree with me that any material that cannot be removed by an ordinary dipper dredge should be classified as rock?—A. I may agree with you—

Q. Do you agree about this? We will come down to the question of whether this was an ordinary dredge afterwards. I want to see if you agree with me that any material that cannot be removed by an ordinary dredge should be classified as rock according to the interpretation of the contract and specification,—an ordinary dipper dredge, I am not talking of clam-shells.—A. Not according to the specification.

Q. Will you point me out—because I think this is the foundation of the whole thing where we differ with your report. We have already had the evidence of several engineers; among them Mr. Mallory, who agrees that this is an ordinary dredge, and that any material that cannot be removed by an ordinary dredge should be classified as rock. We have Mr. MacLachlan's opinion and Mr. Woolley's opinion on that. You do not agree with them?—A. I cannot agree on the word "ordinary", because I do not know what you mean by "ordinary".

Q. I did not manufacture the word "ordinary." Whoever made this contract put in the word "ordinary."—A. Not in the clause.

Q. Yes, in clause 27 it says "ordinary dredge."—A. Ordinary dredging" is not the same as "ordinary dredge."

Q. Certainly. But it says in section 23: "The two materials consist of earth and rock, one to be removed by ordinary dredging," and then later on it refers to "a dredge." I say you should read them altogether. What kind of a dredge is an ordinary dipper dredge?—A. I cannot agree with you. "Ordinary dredging" means to remove certain material with a dredge without any blasting, or—

Q. The position you take is that when they struck a material of this sort they should have got a dredge that would remove it?—A. Certainly, under the contract.

A. All right that is your interpretation. Now, you can get a dredge to remove solid rock, can't you?—A. I can get a dredge to remove solid rock. There are some that have been able to—

Q. It means an almost prohibitive price?—A. I did not go that far in my interpretation of this contract.

Q. You believe that, notwithstanding the language of this specification, what was required of the contractors here was to get an extraordinary dredge?—A. Not an extraordinary dredge, a dredge capable of removing anything except rock and very hard pan.

Q. I see.—A. Now, you may permit me—

Q. Very well, Mr. St. Laurent?—A. My contention about the question of the *Puget Sound*, my contention is according to what I have found in getting information, the *Puget Sound* was not tried before they did lots of drilling and specially drilling in a soft area, because that dredge began to work on the work only on the 17th August after the drilling scow had gone over a large part of soft material at a very rapid rate of drilling.

Q. We will put it this way, Mr. St. Laurent.—A. Before that they had only clamshell dredges.

Q. We will put it this way, so that the facts can be brought out: If the *Puget Sound* was unable to remove that hard material, should it have been classified as rock?—A. I don't admit that the *Puget Sound* could not have removed it.

Q. I am not asking you to admit anything. I am asking you if the *Puget Sound* could not have removed that material, then would the Resident Engineer have been justified in classifying it as rock?—A. Taking—I have not got the exact term, I have some difficulty in choosing the right word—



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Q. You did not experience any such difficulty in your report?—A. Taking a lenient view, a reasonable interpretation of the specification, he might, yes.

Q. That is fair enough. Then, putting a reasonable interpretation on the specification, if the *Puget Sound* could not have removed that material you consider it should have been classified as rock?

Mr. CARVELL: He said a lenient, not a reasonable interpretation.

Mr. PRINGLE, K.C.: He used both expressions.

The WITNESS: I said lenient, but used both expressions because I gave the benefit of the doubt to the contractor.

*By Mr. Pringle, K.C.:*

Q. Did you see the drill that was at work there?—A. No, the drill was taken away when I was there. I beg your pardon, yes, I saw the drill.

Q. If the test was made with a drill weighing  $4\frac{1}{2}$  tons and it would not penetrate this material, do you not think the Resident Engineer would be justified in classifying it other than earth?—A. That is one of the points where I differ with the Resident Engineer entirely, according to the method of recording the surface of the rock. They lowered a drill and when it stopped the inspectors took it as the beginning of drilling, or in other words, as the surface of rock, of hard material. Mr. Maclachlan is entitled to his opinion when he thinks this is the best possible means of recording the surface of rock or hard material. I contest that, because when a drill goes down it can be stopped by any obstruction at all, by any small stone or by packed gravel that can be perfectly removed by a dredge. It can be stopped by a crust of hardpan that can probably be removed by a dredge; and therefore his method did not indicate the true surface of the rock. That is why there is such a large quantity of rock.

Q. Now, Mr. St. Laurent, since you have introduced Mr. Maclachlan's name, did you not say that after the most careful inspection of the office records, and discussing with the engineers and inspectors, you most absolutely rejected any suggestion of collusion or dishonesty?—A. Yes, and I am still of the opinion.

Q. I read a suggestion in one of the evening papers, that there was here an attempt to steal \$150,000. You reject that absolutely, don't you?—A. I reject that, I attribute the whole thing to an error of judgment.

Q. Yes, if there has been any mistake it has been simply an error of judgment. I think you further said that Mr. Maclachlan was absolutely sincere in what he did?—A. I stand by my report now until it is proved the contrary.

Q. You also said in your report that under the circumstances which existed when you went out there there was no possibility of making an accurate estimate. This is your language (reads):

"Under these circumstances there is no possibility of making a very accurate estimate of submarine rock work covered with other material"

A. No sir, because the material was gone.

Q. The material was gone. Now then, the only man who could get the absolutely correct measurement of rock was the Resident Engineer?—A. Well, if he had used the records—

Q. You could not get at it?—A. I found those records were incorrect. I could not agree with them.

Q. You could not agree with those records?—A. And the only thing left for me to fall back upon were the boring records, which I found were pretty correct, and which I could rely upon to make an estimate of the rock existing in this work.

Q. Those borings are over 4 feet?

Mr. PRINGLE, K.C.: What are they, Mr. Maclachlan?

Mr. MACLACHLAN:  $4\frac{1}{2}$  and 5 feet.

Mr. ST. LAURENT.



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Mr. CARVELL: Mr. Woolley said they were 10 feet apart.

Mr. ST. LAURENT: Your ranges were 10 feet apart.

Mr. MACLACHLAN: They varied considerably.

Mr. ST. LAURENT: They vary, but some of them are 10 feet and others 5 feet.

*By Mr. Pringle, K.C.:*

Q. At any rate you agree in this, that when the new location was decided upon there should have been a re-survey of these quantities?—A. There should have been. I stated so.

Q. And there was not?—A. I mean not a re-survey. I mean there should have been new borings, closer borings, taken.

Q. Closer borings before the final completion of the construction plans?—A. Before the construction plans were completed.

Q. And a more accurate estimate made of the rock to be estimated?—A. Yes.

Q. It is very astonishing, Mr. St. Laurent, that you should make a mistake of 8,750 yards in your estimate.—A. Well, I cannot answer that question.

Q. You are not responsible for it, but is it not astonishing that there should be such an error?—A. It should not happen, sir.

Q. That makes \$85,000?—A. I don't say it should not happen always; clerks are astray and engineers may make errors sometimes.

Q. You do find there was an error made in the Public Works Department when they estimated and called for tenders. They said rock excavation in place, 4,300 yards, and when you come to figure it out you find there is over 13,000 yards that should have been in the estimate.—A. Yes.

Q. So somebody made an error of 8,750 yards?—A. Yes, sir. The clerk that calculated these quantities certainly made an error there, it should have been avoided as much as possible.

Q. You find also in regard to these specifications that it would be very difficult to do justice to the contractor in classification. I think you put it in this language (reads):

“During the progress of the work, some hard material other than solid rock was encountered, which the engineer in charge considered too hard to be ‘removed with a dredge’ without drilling and blasting, and therefore he placed it under the specification of rock. I must say that this definition of the two classes of material as specified is too vague, and leaves too much of a personal or human factor, which is always preferable to eliminate as much as possible in specifications.”

A. That is my opinion, sir.

Q. Then you refer to the new specifications which had been gotten out within the last two or three years, and which you call the standard classification?—A. About dredging contracts alone.

Q. If you had had a copy of that standard specification it would have avoided these difficulties, would it not?—A. It would, I think, to a very large extent.

Q. I will not go into that matter, but according to the standard specification there would have been a provision to cover this class of material so that the contractor would have been fairly compensated for it even if he were not allowed solid rock?—A. Yes.

Q. Because you do not pretend for a moment to say that any contractor could be expected to take out that hard material for 52 cents a yard?—A. I don't know of very hard material except the rock that was there.

Q. But if there was hard material such as described by Mr. MacLachlan or Mr. Woolley, do you think it would have been fair that the contractors should only receive 52 cents a yard for it?—A. If there was such hard material; 52 cents would be a fair price for ordinary hard material.

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Q. You think it would be a fair price for ordinary hard material?—A. Because the prices of material vary from 15 to—

Mr. CARVELL: Down in the Harbour of St. John they are dredging material 60 feet down for 30 cents.

The WITNESS: And 35 cents.

Mr. CARVELL: They are doing it for 24 cents in Courtenay Bay, N.B.

The WITNESS: In some locations the price is 35 cents.

Mr. PRINGLE, K.C.: I heard they have gone broke. Have they?

Mr. CARVELL: Not yet, by any means. On the 35 cent basis, if we had to divide among us the money these contractors made, we would not care whether school kept or not.

*By Mr. Pringle, K.C.:*

Q. Now, in so far as your report is concerned, it is only approximately correct?—A. It is only approximately correct. The boring records were the only things left to me to calculate the quantities, and they are as close as it is humanly possible to make them now.

Q. What you say is this (reads):

“Under the actual conditions of the work at present, the excavation having been completed, it is quite impossible to give the conclusive evidence which is required of me from tests made outside of the areas covered by the work, which at best can only give crude and perhaps misleading indications.”

A. Yes.

Q. And then you go on further and say (reads):

“This can only be approximately correct, but I recognized there is no other way to arrive at more correct results.”

A. Yes, at the time I wrote that letter I was still digging into the work to find the things I required. I wrote the letter to get a statement from Mr. MacLachlan but I had not made up my mind on anything.

Q. Now, getting back to this dredging business, I have never yet got any statement from any man in your Department except Mr. Valiquet, that if the material could not have been removed with an ordinary dredge, it should have been classified as rock. Apart from Mr. Valiquet I have not had any statement in regard to that. What he says with reference to that is to be found at page 43 (reads):

“Q. And when you say that any material which can be removed by a dredge cannot be classified as solid rock, did you specify what size or power of dredge you mean? Does it mean the most powerful dredge in the land, or an ordinary dredge used in the business?—A. There is nothing definite in the specification—‘by a dredge’.”

Now, who is going to be the interpreter of that specification? You said the man out there, and he is delegated by your chief engineer, and he has acted throughout the contract. He delegates the work to another man who selects the *Puget Sound* as the dredge, the instrument to do the testing, and that man finds that the *Puget Sound* will not remove this material. Now who is going to interpret it?

Mr. CARVELL: Is that a fair statement of the facts, Mr. Pringle?

Mr. PRINGLE, K.C.: Yes.

Mr. CARVELL: I don't think it is. Mr. Valiquet in his evidence says he took that statement from the man on the works.

The CHAIRMAN: He says he made a personal test.

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Mr. PRINGLE, K.C.: He made a personal test with the *Puget Sound* and could not remove this material.—A. I am pretty sure that where Mr. Valiquet made his test they were trying to dredge rock.

*By Mr. Carvell:*

Q. Solid rock?—A. Solid rock.

*By Mr. Pringle, K.C.:*

Q. But you were not there?—A. I could not draw any other conclusion.

Q. I notice that you were in favour of a compromise in this matter?—A. I was in favour of a compromise.

Q. Then, what you said again, is on page 43:

“Q. Supposing there never had been a dredge used in that locality which could remove that material would a man have the right to say that was material which could not be removed by a dredge and therefore should be classified as solid rock?—A. Well, I can tell you my own opinion about that. If this was a case where the material was such that it was on that indefinite line of demarkation where an engineer is not sure whether he should throw the material in the ‘rock’ or in the ‘earth’ classification, if it might be removed by the dredge, or if it were removed at the cost of that dredge having to bring heavier power into it, I think I would consider that material as earth at a compromise price,”

A. Yes.

“though there is nothing in the specification. That is the way I would deal with it.”

Who would have power to consider this compromise price? Who would have power to go outside the specification and consider it at a compromise price?—A. Well, it could be tested by the engineer if it was on that line of demarkation.

Q. Now, be fair?—A. I am fair, sir.

Q. I know you are absolutely fair, and a very able engineer, I appreciate all that?—A. Oh, I thank you for the compliment.

Q. Could your resident engineer have done more than he did on the 20th of August when he wrote that letter to the Chief Engineer and pointed out the difficulty he was in as to this question of classification, and that he was inclined to classify it as rock and asked to have the matter investigated. Your department didn't see fit to investigate it, but wrote him a letter telling him he should classify it as rock?—A. I do not quite agree with the way the question is brought up, will you kindly permit me to read that letter?

Yes, it is dated the 20th of August and you will find it in your report.—A. Mr. MacLachlan writes to the Chief Engineer as follows:—

“Dear Sir,

“In connection with items 1 and 2 in schedule, in the construction of the wharves at Victoria, I have the report that the approximate quantity of rock as described in the schedule will be very much below the actual quantity excavated. One dredge had been employed for some time removing the overlying mud, silt and underlying material, and later a much more powerful dredge. The attempts of both dredges to remove the underlying material were not successful. A very up-to-date boring machine is now engaged in drilling and blasting the material which appears to be a conglomerate and in its original state cannot be removed by a dredge. I therefore, subject to your approval, classify same as rock and hope this will be in accordance with your views.”

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Now, in the first place the letter speaks of an increased quantity of rock, he mentions that and he says that it cannot be removed by the dredge, that is in accordance with the specifications. But he further says that it is conglomerate—well, conglomerate is rock that cannot be removed by an ordinary dredge, nor can it be drilled at a very rapid rate. There was nothing very positive in this letter which would indicate to the Department that there was any serious matter to investigate there on the receipt of that letter. That is according to my mind.

*By Mr. Carvell:*

Q. You might say that, according to that letter, that showed actual rock?—A. That showed actual rock, conglomerate is actual rock.

*By the Chairman:*

Q. But does he not say that it is going to be very much increased on your estimate?—A. It did not show that it was not in accordance with the specification.

*By Mr. Carvell:*

Q. In other words, he did not say it was the hard material which has been described here in the evidence, did he?—A. There is nothing that would show us that in the letter.

Q. He classed it as “conglomerate” and “rock”?—A. Yes.

*By the Chairman:*

Q. But did not the letter convey to you the intimation that there was going to be much more rock than calculated on?—No answer.

*By Mr. Pringle, K.C.:*

Q. Was not that letter sufficient to put the Department on their guard and to make an inquiry?—Would it not have been well to have sent a man out to investigate and ascertain what the material was there in place, and not leave it until the material had all been removed?—A. In my opinion there was nothing very serious to indicate that an investigation was required. I think the Chief Engineer gave evidence that he did give instructions to Mr. Valiquet to write about it.

Q. But you went on paying estimates for three months afterwards for the material that is now being complained of, and you paid for 18,164 yards of rock before you went out and made the investigation, and you said that with the information that you had in your office that there would only be 4,300 yards?—A. I had no information in my office because I knew about this only when the Minister asked me to go there.

Q. Well, the information was in your Department, and that is the fact that the Department paid for 18,164 yards of rock while the original estimate only showed 4,300 yards?—A. That is the fact.

Q. And it was not until after that was paid that you were sent out there to make an investigation?—A. Mr. Valiquet was sent out there before I was.

Q. Well, Mr. Valiquet reported that everything was all right, according to his report.—A. I was, you may be sure, sorry to be compelled to differ from him.

Q. It shows that engineers will differ as well as doctors and lawyers?—A. I may tell you it was a painful few days that I passed there when I saw that I would have to differ from my confrere.

Q. And the material had disappeared when you got out there?—A. Yes—well they were not all finished with the work, and I found some spots where they dredged and perhaps blasting had been done, and where they would have to go back. But the chief engineer is having now a very close set of soundings made every ten feet.

Q. Now, as I understood from your examination, you said in referring to the disputed area that the material within the disputed area having been excavated, you could

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not get any positive proof of the actual material that had been removed from there?—  
A. No, that is why I asked Mr. Maclachlan to show me some of the material that he was returning as rock. Excepting from ledge rock there was no sample kept of that material.

Q. You did learn that they tried with a dipper dredge to remove that material?—  
A. I learned that.

Q. Certainly, you learned that they had tried to remove that material with a dipper dredge, and they failed to remove it?—A. I found later that that dipper dredge had got on the work only on the 17th August after they had begun drilling from the 28th June in soft material.

Q. But they had tested it out with a dipper dredge?—A. With a clam-shell. I thought that Mr. Maclachlan formed his judgment on the performance of clam-shells, which are not suitable for digging hard material, because a clam-shell has no capacity to force the bucket to penetrate into the material and rip it up.

Q. You heard Mr. Mallory's evidence here. He said that the *Puget Sound* was just as good a dredge as the *Ajax*?—A. It might be.

Q. If it was just as good, the *Ajax* could not have removed that material, and the *Puget Sound* could not have removed it. Do you think the contractors should have got a dredge stronger even than the *Ajax*?—A. We went out with the *Ajax*, and we did not find any material, excepting rock, that the *Ajax* could not remove.

Mr. CARVELL: Now we have it.

*By Mr. Pringle, K.C.:*

Q. I am asking you this: If Mr. Mallory is right that the *Puget Sound* is just as good a dredge as the *Ajax*, and if the *Puget Sound* could not remove this hard material, then the engineer would be justified in classifying it as rock?—A. The engineer would be justified if this was so.

Q. If it were so? I am assuming that it is so.—A. Well, I did not find so, sir.

Q. Well, the evidence is that it is the case, I understand.

Mr. CARVELL: I beg your pardon, no. The question was asked Mr. Woolley this afternoon, and he went all around it, but he didn't say yes.

Mr. PRINGLE, K.C.: Were you not there when the *Puget Sound* tried the material, Mr. Maclachlan?

Mr. MACLACHLAN: Yes, tried the material.

Mr. PRINGLE, K.C.: And failed to remove it, and according to Mr. St. Laurent's statement, if that is a fact—and I have not heard it denied—then it should be classified as rock? That will do, Mr. St. Laurent.

Mr. CARVELL: That won't do.

The WITNESS: The *Ajax* removed——

*By Mr. Carvell:*

Q. Go on and answer that question?—A. The *Ajax* removed all material we could find.

Mr. CARVELL: Let Mr. St. Laurent tell what he did.

The WITNESS: We went around the edge of the cut where that same material must have continued, and we did not find anything that the *Ajax* could not remove without undue strain. Then we went in a certain area where rock was shown in sections, rock or hard material was shown on sections, where according to the borings there was no rock, and we dredged there, and we did not find any evidence of hard material, that was sand that continued down under this section.

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By Mr. Carvell:

Q. That is on the dredged area?—A. V here they were supposed to have made grade.

Q. You went below grade?—A. Yes, went below grade.

Q. They had represented this as rock?—A. The part above it as rock or hard material.

Q. They called it rock. And going below grade on the same location on which they had classified a portion of it as rock, you had no difficulty in removing that with the *Ajax*?—A. With the *Ajax*, and then we had the wash boring apparatus there and went down to the sand very easily.

Q. How far?—A. I could not say how far. Mr. Davy will say—below grade anyway.

Q. In what area did you make this test?—A. That was in the west slip, where the largest quantity is shown, it must have been about 150 or 180 feet from the bulk-head, I suppose. Mr. Davy could give exact figures.

Q. Now, Mr. MacLachlan gave evidence this evening of the work done by the drilling machines on certain days in August at the point around 160 or 180 feet from the west slip. Is that the place where you made the test?—A. There were some tests there.

Q. And in these places you say again they had returned a portion of that as rock, and yet you were able to remove below it with the *Ajax*?—A. With the *Ajax*, and go down much deeper with the wash boring apparatus showing sand according to Mr. Davy's report.

Q. At how many places on that work did you make these tests?—A. Mr. Davy will be able to tell how many places.

Q. Tell us approximately, as nearly as you can?—A. I cannot tell.

Q. Would it be more than two or three?—A. Oh, yes, more than two or three tests were made.

Q. Did you try it in more than one slip?—A. I think the middle slip was tried too.

Q. What were the results of that drilling?—A. Will you ask Mr. Davy about that?

Q. Yes, but I want your evidence as well?—A. I was not on the wash outfit scow when all these tests were made.

Q. I am talking now of the tests with the *Ajax* dredge?—A. I was on the dredge all day and all evening.

Q. Practically how many tests, and at how many places, did you make with the *Ajax*?—A. We went to at least five or six places throughout the day. I asked Mr. MacLachlan to get me to such places where he could show me some of that hard material. We could not find any. And in the evening we went out at low tide to be able to dredge down below grade, where grade had been made, and we must have worked there for, well I would say nearly two hours I guess, dredging. We started out and came gradually, gradually towards the shore, until we struck where the rock had been dredged.

Q. And had Mr. MacLachlan returned portions of rock in all the areas you tried that evening with the dredge?—A. Yes.

Q. And he had found rock in the portions removed, and you could find no rock underneath?—A. Underneath, no.

Q. You have told now what you did on the dredged area. Now, try with some particularity and tell us what you did on portions alongside the dredged areas?—A. In the portions on the side of the cut, we had the dredge there and dredged to see what material there was there covering the rock, went down to rock.

Q. Did you have any difficulty in removing the material until you came to actual rock?—A. No, sir, there was no difficulty for the dredge to remove any of that material.

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Q. Did you try at more than one location?—A. Yes, more than one location.

Q. And with the same result, that you had no difficulty in removing material?—A. Same result. Then we went along the side of the cut, where there was deep rock, and we could feel the bucket along the rock right up to the top. Then when we reached the top we would get some gravel and sand and a little clay right on top of the rock.

Q. Would it be a fair statement to make that you found no material, either on the dredged area or alongside the dredged area, excepting solid rock, but that could fairly be removed by the dredge *Ajax*?—A. No, I am very positive that we did not find any.

Q. If the *Puget Sound* was a dredge of equal capacity with the *Ajax* should the *Puget Sound* remove the same material?—A. It should.

*By Mr. Pringle, K.C.:*

Q. I am informed, I don't know whether it is correct or not, that the *Ajax* has only got a 34-foot arm?—A. No, the *Ajax* in the official report is stated to be able to dredge at 40 foot.

Q. Where you tried the *Ajax* would be along the face of the cut?—A. We tried it along the face and on top also.

Q. That had all been shattered by blasting, had it not?—A. On the top? You mean on the edge.

Q. It would be shattered all along the face by blasting?—A. It had been removed, all the material shattered had been removed, when I got there.

Q. There would be material still remaining there that had been shattered by the blasting, would there not?—A. Well, yes. There might have been some of that material.

Mr. PRINGLE, K.C.: Mr. Valiquet seems to have been very firm until he got back here. I am just looking for his report. At what page is it to be found?

Mr. CARVELL: Did you hear Mr. Valiquet's oral testimony here.

Mr. PRINGLE, K.C.: Yes.

Mr. CARVELL: Would it not be better to refer to his oral testimony rather than his report?

*By Mr. Pringle, K.C.:*

Q. You are familiar with Mr. Valiquet's report?—A. I have read his report.

Q. He states that he had made a number of tests which he considered sufficient. Since coming back here I suppose you and Mr. Valiquet and Mr. Davy have had conferences together?—A. Yes, Mr. Valiquet has come to me and we have talked the matter over.

Q. Do you think it was from the conversations that you and Davy had with him that he has been inclined to—I would not say change his mind—but wabble a little on his report?—A. It may be apparently by what was shown to him that he did not know and by the evidence he heard.

Q. Naturally you showed him enough to have him wabble?—A. Oh, no, I didn't expect Mr. Valiquet would wabble at all.

Q. What is that?—A. I never suggested anything to him.

Q. You have got him wabbling a good deal?—A. I placed before him some facts.

Q. You have got him wabbling a good deal between you and Mr. Davy?—A. I beg your pardon, that statement is not correct. I had nothing to do with Mr. Valiquet changing his opinion. Mr. Valiquet got some information from me. I gave him the information simply.

Q. I am not saying that you were the cause of his wabbling. I am saying that Mr. Valiquet, after having made this very strong report, because it was a strong report,

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that he is now wabbling. Now, between the period of making his report and the period of wabbling, he has had constant interviews with you and Mr. Davy, and you have tried to show him where he was wrong, I will put it that way.—A. Well, no. I don't think I ever tried to show him where he was wrong. I showed him what I found, that was all.

Q. Now, he says (reads):

“With a view of obtaining personal information about the nature of the materials, the dredge was ordered to the South and placed near the edge of the cut which had been excavated. After getting a few dippers full of loose material a hard bank of conglomerate was struck and a dipper tooth was broken. After repeated trials in my presence I was satisfied that excavation with the dredge was impracticable”.

A. It was simply all solid rock. That is what I say.

Q. You do not know, you were not there. He thinks he was in hard material, you were down here in your office.—A. I think that might be found out by asking Mr. Valiquet where the dredge was put.

Q. We did do so.—A. And it would have shown it was in the rock section.

Q. He goes on to say (reads):

“A sharp pointed steel rod was then procured and from a rowboat repeated trials were made to penetrate the bottom, consisting of the same kind of material. After going through 15 to 18 inches of soft ground, no impression could be made by repeated blows of the sharp point”.

Now, that is what Mr. Valiquet said. He went out there and he says he made all these tests.

Mr. CARVELL: I beg your pardon. A man chosen by Mr. Woolley handled the rod. That is what Mr. Valiquet said.

Mr. WOOLLEY: Mr. Valiquet asked for a crew and a sharp pointed rod. I furnished the sharp pointed rod and the dredge's crew furnished the rowboat.

Mr. CARVELL: All right, have it that way, but Mr. Valiquet never handled the rod.

Mr. WOOLLEY: Mr. Valiquet was in the boat when the rod was handled.

*By Mr. Pringle, K.C.:*

Q. Now, Mr. Valiquet having gone out there, and having had all this information from Mr. Mallory, makes this report and states certain facts in it.—A. Mr. Valiquet may have covered only the areas where there was rock. Certainly he would meet rock using a rod.

Q. He goes on to say further (reads):

“I also examined the very detailed records of the steam drill work kept by the contractors from measurements taken on the drilling rods from the drill scow in the presence of the Government inspector; these records show that the drilling through the conglomerate was at the rate of 5 to 7 feet per hour, which is the ordinary rate through solid rock. Five 4 ton drills are mounted on a large scow. It is a first-class piece of machinery.”

Did you see that machine?—A. Yes, I saw the machine.

Q. Was it a first-class machine?—A. It was a first-class drill scow.

Q. An average of approximately 8 feet per hour would not be a very excessive rate of boring, would it?—A. That average might apply for two different materials in drilling.

Q. No, but the total average for the whole work?—A. That is what I mean, the total average.

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Q. I do not think you were here when the statement was made that deductions were made amounting in some cases to 84 per cent.—A. I know. The percentage was about 20 per cent for the whole.

Q. That was the average for the whole?—A. Yes.

Q. Well that report was made on December 9, that the work was all completed, and for some reason, I do not know what it was, Mr. St. Laurent now is wobbling on his report.

Mr. ST. LAURENT: With the permission of the Committee I would like to make just a short statement.

The CHAIRMAN: Go on with your statement.

Mr. ST. LAURENT: I think the other day Mr. Woolley found it advisable to throw me a few bouquets about my report, using a good many adjectives about that report. I want to say to the Committee that in going there and investigating this matter, technically, I had as much at heart the interest of the contractors as to do my duty towards my Minister and the Department, and that when there was any reasonable doubt I gave the benefit to the contractors. That has been my practice not to go any farther when there is reasonable doubt. It is not in the interest of the Government to ruin the contractors or to be unfair to them and I have acted on that principle. So I think that the intimation the other day that I had been very unfair was not warranted. That is the statement I want to make positively that I have been as fair as I could be.

Mr. PRINGLE, K.C.: I do not think that Mr. Woolley intended to say that you were unfair but that he thought that the information you obtained was wrong.

Mr. ST. LAURENT: Well, I stand by my report.

Mr. PRINGLE, K.C.: I think you did the best you could with the information you had.

Witness retired.

Committee adjourned.

## HOUSE OF COMMONS,

COMMITTEE ROOM No. 301,

THURSDAY, April 13, 1916.

The Select Standing Committee on Public Accounts met at 11 o'clock, a.m., the Chairman, Mr. Middlebro, presiding, and resumed the consideration of certain payments to Grant, Smith & Co. and Macdonnell, Limited, in connection with dredging at Victoria, B.C.

Mr. J. M. CHALIFOUR called, sworn and examined.

*By Mr. Carvell:*

Q. What position do you occupy in the Public Works Department?—A. I am Auditor for the Chief Engineer's office.

Q. I suppose we ought to know the meaning of the word "auditor," but we would like you to explain a little more accurately?—A. I am authorized by Order in Council to sign all accounts, pay-lists and progress estimates in connection with harbour and river works.

Q. When do you sign them?—A. I sign them for the Chief Engineer, approve them for the Chief Engineer, for payment.

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Q. Then, does the burden come back on your shoulders to say whether a progress estimate shall be approved or not?—A. To a large extent, it does.

Q. What documents do you have before you in arriving at this conclusion?—A. We keep in the office a copy of the contract and a copy of the specification.

Q. Yes?—A. And progress estimates coming in are checked.

Q. As you go along?—A. Yes.

Q. Your duties then are not merely ministerial, but you exercise some judgment of yourself?—A. Yes.

Q. Well, take now the progress estimate for the month of June. I suppose, of course, you would also have, if engineer's reports have been made, would they come to you as well?—A. Sometimes.

Q. You have the right to call for them if you choose?—A. Yes.

Q. Now, I want you to take the month of June, and you will find in this particular contract that they had returned 17,109 cubic yards of earth at the contract price of 52 cents, and 864 yards of rock at the contract price of \$9.10. Will you kindly look at that and tell me what you did when the estimate was brought to you (hands witness Auditor General's file)?—A. Yes, there is excavation, 17,109 yards at 52 cents, and rock 864.

Q. What did you do?—A. Passed that.

Q. Are there any memoranda or notes on the document itself which shows that you passed it?—A. There would be my signature on the summary.

Q. Is it there?—A. Yes (indicating).

Q. That is your signature, passed by you?—A. Yes.

Q. Do you have any distinct recollection of having compared that with the contract and specification, or did you only do it in the ordinary course of business?—A. Well, I have no distinct recollection, but it must have been done, because we enter on our file, we enter every progress estimate as it comes.

Q. Yes, all right. Now pass on, if you will, to the month of July. What is there there for dredging?—A. Earth excavation 24,940 cubic yards at 52 cents, rock excavation, 3,183 at \$9.10.

Q. And is there any rock blasted but not removed?—A. Yes, there is rock blasted but not excavated, 1,600 yards.

*By the Chairman:*

Q. At 50 per cent value?—A. 50 per cent value.

*By Mr. Carvell:*

Q. That would make a total of rock accounted for up to that time of what?—A. 4,783 cubic yards.

Q. Well, did you pass that estimate?—A. Yes.

Q. Is there anything there which shows you that you did anything more in the ordinary course of your official duties?—A. No, sir.

Q. Was there anything in that which ought to excite your suspicion?—A. No.

Q. To use a less harsh term, was there anything in that which should have set you investigating?—A. No.

Q. Nothing?—A. Nothing.

Q. If you will observe, the total rock accounted for in that estimate a little exceeded the estimated rock under the original contract?—A. Yes.

Q. What was the total estimated rock?—A. The total estimated rock is 4,300 yards, I think.

Q. And the total rock accounted for in that estimate you say was 4,700 yards?—A. 4,700.

Q. That would be a very small proportion. Now, will you turn on next to the August estimate? Is that signed by you?—A. No, sir.

Q. It is not?—A. No.

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Q. Was it signed by anybody acting for you?—A. Yes, signed by Henry Bance, who was authorized by order in council to sign when I am away from the office.

Q. Were you absent from the office on that occasion?—A. I was.

Q. Was that brought under your observation at any time? I do not mean within the last three or four weeks, but prior to the difficulty arising in the latter part of October?—A. In this particular estimate?

Q. Yes?—A. Well, I could not say if this particular estimates was brought to my attention.

Q. Turn over the file and tell us what the estimate was?—A. The estimate is: (reads) earth excavation measured in place 26,952 yards at 52 cents; rock excavation 13,183 yards at \$9.10.

Q. That is material removed?—A. Material removed. Rock blasted but not excavated, 50 per cent allowed, 5,105 yards.

Q. That makes a total of how much?—A. 18,288 yards.

Q. Whereas by the original estimate the quantity was 4,300 yards?—A. 4,300 yards.

Q. I do not want you to give anything that you do not know yourself, but I want you to tell everything you did in regard to the passing of that estimate?—A. Well, I was away at the time.

Q. Then I suppose it would be fair to say that you do not know anything of your own knowledge?—A. No.

Q. When did you first learn that this estimate had been passed?—A. If my recollection is good, I learned it first when the September estimate came up.

Q. If that is the case let us turn to the September estimate. Is that signed by you?—A. That is signed by me.

Q. Now turn to the quantities?—A. (Reads): Earth excavation, 31,940.52. Rock excavation 20,183 at \$9.10."

Q. That is rock removed?—A. Rock removed. "Blasted but not excavated, 5,105 yards.

Q. And that would make a total of how much?—A. 25,288.

Q. What did you do when that came up to your office?—A. When that estimate came up I investigated it.

Q. Yes?—A. I mentioned the same to the chief engineer and he told me to see Mr. Valiquet who had the work in charge, and that—

Q. Yes?—A. And that if the work, if the quantities as reported were correct, if it was rock, that there was no doubt the contractors ought to be paid.

*By Mr. Barnard:*

Q. About what date would that be?—A. That would be, oh, I suppose before the 15th of October.

*By Mr. Carvell:*

Q. The estimate is made out at the end of the month or the very first day of the succeeding month—that would be October—and transmitted to Ottawa?—A. Yes.

Q. Have you the date when the estimate was passed?—A. No, it does not appear here. It won't appear on the certificate. The date that it was passed appeared only—it would be later, because that is dated October 9, and it would take about six days I suppose reaching the Department, which would make the date about the 15th.

Q. Will you state what took place between you and either the chief engineer or Mr. Valiquet?—A. Well, as I said, the chief told me that if the quantities as reported, if the contractor had done the work and it was rock, we had to pay whether it was in excess of the quantities estimated or not; they were entitled to their pay.

Q. Then he referred you to Mr. Valiquet?—A. Then I went to Mr. Valiquet and from him I got the impression that there was no doubt that the quantities, that the

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rock was there; that it was in excess of our approximate quantities but that the contractors had done the work and that it was regular.

Q. Did he make any reference to the correspondence that had passed between the resident engineer Mr. MacLachlan and himself or the chief?—A. Well he told me that he was in correspondence with the District Engineer.

Q. Did he show you the correspondence?—A. No.

Q. So you passed that estimate because of the statements made to you by the chief engineer and Mr. Valiquet, both of whom are your superiors?—A. Yes.

Q. Do you know whether it was paid or not?—A. I know it was not paid.

Q. Do you know anything about why it was not paid?—A. I think it was held up by the Auditor General's office.

Q. It went through your office and ran across a snag at the other office. Will you take the next estimate. That will be the estimate for October?—A. To be frank I don't think it is there.

Q. Yes it is on the first page (Indicating file). Give us the quantities?—A. (Reads) Earth excavation measured in place 31,940 at 52 cents. Rock excavation measured in place 25288 at \$9.10.

Q. Anything blasted?—A. No, the blasted material was taken in there. It makes the total.

Q. Will you compare these with quantities in the September estimate?—A. They disclose the same amount of rock.

Q. The amount of rock blasted is transferred to the rock removed?—A. Yes, you have 20,183 removed and 5,105 blasted, which gives a total of 25,288 yards.

Q. And in October you got 25,288 yards removed. That is all returned then as removed?—A. Yes.

Q. Have you an estimate for the month of November?—A. Not here.

Q. Was that October estimate passed in your office?—A. Yes; it was passed in my office.

Q. And was it signed by yourself?—A. Signed by myself.

Q. Did you make any further enquiries before signing it?—A. I would not be ready to say whether I made further enquiries, the quantities were not changed.

Q. Were the earth quantities changed now?—A. The earth quantities did not amount to very much, 31,000 cubic yards—no, the same.

Q. The same. Then the only change between the estimate for the month of September and that for the month of October would be a change in the dollars and cents but not in quantities?—A. Not in quantities.

Q. How much of a change would there be in dollars and cents?—A. There would be a difference of \$23,227.75.

Q. A difference of over \$23,000, and that would be, would it not, the half?—A. That is the 50 per cent on the blasting.

Q. For the 5,000 odd yards that had been previously reported as blasted but not removed, which allowed \$4.55 additional. Now you passed that, did you?—A. Yes.

Q. Do you know what became of that when it got to the Auditor General's office?—A. I think it was held up.

Q. There is no doubt about it. Well now, when did you next have any conversation, if you had any, with your superior officers regarding this transaction; and, so far as my question is intended to go, I may say to you I am not at all inquisitive as to what may have been discussed between you and your officials except it had anything to do with the signing and passing of these estimates?—A. I do not know whether it was ever brought up.

*By Mr. Pringle, K.C.:*

Q. The September estimate you say was dated October 9 and that was for rock 20,483 cubic yards?—A. Yes.

Mr. J. M. CHALIFOUR.



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Q. Now then, the next estimate showed a total quantity of rock of 25,288 yards?—A. Yes.

Q. Was there an estimate subsequent to that—I want to just get the total quantities?—A. Subsequent to that—estimates were rendered each month, and in September there is passed as “rock excavated” 20,183 cubic yards, and 5,105 yards “blasted but not removed”.

Q. That would make a total of 25,288?—A. Yes, and that is reported the next month, in the October estimate you see as 25,288 yards “rock excavation”, that means blasted and removed.

Q. Yes. Well now is that the last estimate dealing with rock, or, is there not one in November?—A. There must be a November estimate, I am not sure, I haven't it here.

Q. I only wanted that to get at the total quantity. Now this Auditor General's letter was written on November 15, and it was addressed to the Deputy Minister of Public Works. At that time he calls attention to the excess, which he says was 25,288 yards, and deducting 4,300 yards, which are in the original estimate, he finds there is an excess yardage of 20,988, but, I suppose, it was explained to you that from that had to be deducted 8,750 yards which Mr. St. Laurent found there had been an error in. I suppose it has been explained to you that Mr. St. Laurent when he went out there found that the Department had made an error in their computation?—A. It was found afterwards.

Q. Certainly, and that there was 13,060 yards instead of 4,300 yards, making a difference of 8,760 yards. That is the way I make it out, is that right?—A. (After consulting estimate) Yes.

Q. So that the total excess, instead of being as the Auditor General quite properly pointed out at the time, 20,988 yards would be 12,226 yards?—A. The total excess according to the report of Mr. St. Laurent.

Q. I am dealing now with Mr. Fraser's letter of November 15 in which he pointed out that there is an excess of rock over the estimate of 20,988 yards. But you have to deduct from that an error of 8,760 yards, which would leave, at that time, an excess of 12,228 yards?—A. Yes.

Q. Instead of 20,988 yards at the time this letter was written the excess would be 12,228?—A. Yes.

*By Mr. Carvell:*

Q. But did you know of that excess that should have been added at that time?—A. No.

*By Mr. Pringle, K.C.:*

Q. But he knows it now and possibly is prepared to arrive at a figure. Then with regard to that 12,228 yards the question arose as to whether that should not have been classified as rock?—A. Yes.

Q. And that is the question that is now in dispute, this classification of 12,228 yards. Now then you got Mr. Valiquet's report—you saw that report?—A. No, sir.

Q. You did not see that report? I should have thought that report being signed on December 9, and being addressed to the Chief Engineer of the Public Works Department it probably would have reached you, but you never saw it?—A. No.

Q. I understand from Mr. Hunter, the Deputy Minister that there were no estimates for November and December, the next estimate came in in January—came in along the first of February and included all the work up to the 31st of January?

MR. CARVELL: Is that an official document you have there, Mr. Pringle?

MR. PRINGLE, K.C.: Yes, it is an official document.

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Mr. CARVELL: Perhaps it would be better for me to have a look at it then.  
(Document handed to Mr. Carvell.)

*By the Chairman:*

I notice here by the evidence of Mr. Lafleur, on p. 73, that Mr. Carvell asks these questions:

Q. Let us go back a little while. Did you receive the August estimate?—  
A. Yes, sir; that is, my office did.

Q. Now, will you tell me what the estimate was that was rendered in the month of September, which would cover work done up to the 31st of August?—  
A. (Witness reads from Auditor General's documents) Earth excavation 26,940 cubic yards; rock excavation measured in place 13,183 cubic yards; rock blasted but not excavated, 50 per cent, 5,105 cubic yards.

Q. That made how much rock accounted for?—A. 18,288 cubic yards.

Q. Do you remember, Mr. Lafleur, whether that was brought to your personal attention or not?—A. No, sir.

Q. It was not?—A. No, sir.

Q. Had it been brought to your attention, would you have considered it very much in excess of the estimated amount?—A. Certainly, sir.

Q. It must have come under the consideration of some officer of your Department?—A. Well, as a general rule, the progress estimates on all works are passed without being referred to me unless something is very glaring.

Q. I appreciate that; you are the chief, and have many things to attend to. Did it come under the observation of some officer of your Department?—  
A. That is the man who would sign the progress estimates for me.

Q. He would be the only person?—A. Yes.

Q. At the headquarters office in Ottawa you think that would not be analysed?—A. What do you mean?

Q. Well you state now that the amount of rock shown in the August estimate was very greatly in excess of the estimated quantity?—A. Yes, sir.

Q. What I want to know is: Would that progress estimate when it reached Ottawa, be investigated and examined into by some person?—A. Only the man who would sign the progress estimate for me, for the Chief Engineer.

Q. That would be Mr. MacLachlan, out in British Columbia?—A. No.

Q. Who is the man?—A. Mr. Chalifour; he is my personal accountant.

Q. He is, then, the only person who would have examined it?—A. Yes, he is the only person.

Q. And he would have had the opportunity, if he chose to do so, of calling your attention to it, but did not do so?—A. My attention was never called to it except by the Auditor General.

Then a little later on:

*By the Chairman:*

Q. A report of the 31st August shows that the excess of rock at that time was 14,000 yards, or \$130,000 worth. Whose duty was it to take notice of an excess of that kind when the original estimate was only 4,300 yards? Surely there must be somebody in your Department who would pay enough attention to this matter to think there was something wrong there of their own notion and point it out?—A. There was nobody else in the Department who could call my attention to the matter, excepting the man I have named, Mr. Chalifour.

Q. You say it was Mr. Chalifour's duty. Is he the accountant?—A. He is the accountant.

Q. On noticing such remarkable increase in the estimate of rock it would be his duty to call attention to it?—A. Yes, sir.

Mr. J. M. CHALIFOUR.

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Q. To call your attention to it?—A. I would say it would be.

Q. You would say that would be his duty?—A. Yes, sir.

Q. He did not do it?—A. No, sir.

Q. What do you say to that?—A. Well, first, I have not passed the August estimate, the August estimate is not signed by me. Of course—

Q. You have somebody in your office who does sign it in your absence?—A. Yes, Mr. Bance.

Q. You are responsible for whatever he does. How do you account for 18,000 cubic yards of rock passing through your office on an estimate of 4,300 yards?—A. Well,—

Q. Four times as much, 400 per cent, and you never called anybody's attention to it?—A. On the August estimate, of course, I cannot answer, because I have not signed it. I was away at the time.

Q. Then you passed the September estimate with the same amount in?—A. With an increased amount, but after consulting with the Chief Engineer and Mr. Valiquet.

Q. You signed the September estimate after consulting with him?—A. Yes.

Q. He says he never knew anything about it until the Auditor General sent in an objection in October sometime?—A. His memory—

*By Mr. Carvell:*

Q. What did you say about "his memory?"—A. His memory may have failed him

The CHAIRMAN: The Chief Engineer says he knew nothing about it until the Auditor General wrote him.

Mr. HUGHES (Kings): When was that?

\* Mr. PRINGLE, K.C.: The Auditor General's first letter is in November.

*By the Chairman:*

Q. The Chief Engineer says he knew nothing about it until November, and you say you consulted him? It is a strange thing to me. Is it no part of your duty to look through the original estimates?—A. It is part of our duty to look at the original estimates. A progress estimate comes in the office and it is immediately checked with the approximate quantities made by the Department, and if any excess it is our duty to call the attention of the Chief Engineer to it.

Q. Here comes an excess of 400 per cent by the end of September, by the end of August in fact, and a little more in value at any rate by the end of September, \$28,000 in value, over that by the end of September. And yet there was nobody in the office ever noticed it was exceeding the estimate. That is a fact?

Mr. CARVELL: He says he noticed it and went to the Chief Engineer.

Mr. BENNETT (Simcoe): He says Valiquet gave him information.

The WITNESS: I noticed it, I knew that the estimate was in excess.

*By the Chairman:*

Q. The August estimate?—A. The August estimate I cannot swear to.

Q. The August estimate went through your office with four times the amount of rock that the original estimate showed, and nobody said a word about it.

Mr. BENNETT (Simcoe): Does he say that Valiquet said something about it?

The CHAIRMAN: He said he did not sign the August estimate personally, but his assistant signed it.



*By Mr. Pringle, K.C.:*

Q. Mr. Chalifour, I understood from Mr. St. Laurent's report that what has been actually paid for is 18,164.7 cubic yards. Is that correct?—A. By Mr. St. Laurent's report, that is correct.

Q. That is correct?—A. I suppose so.

Q. What should have been paid for is 13,606 yards?—A. Yes.

Q. That leaves in dispute 5,104 yards which, at \$9.10 a yard, would make \$46,446.40 cents. So that the amount in dispute, that is the amount that the Government wish to recover back from Grant, Smith & Co. and Macdonnell would be \$46,446.40, and they claim they paid that to their subcontractors on your engineer's certificates.

The CHAIRMAN: Yes, but Mr. Pringle this man did not know there had been a mistake of 8,000 yards made in the estimate out there. He did not know anything about that at all, and he cannot claim the benefit of that.

Mr. PRINGLE, K.C.: I wanted to get the figures in concise shape as I understand it. The amount paid for is 18,164.7 cubic yards, while the amount that should have been paid for is 13,060 cubic yards, leaving 5,104 yards. The total amount really that the government are endeavouring to get back from Grant, Smith & Co. and Macdonnell, or to keep out of other moneys to which they are entitled, is \$46,446.40. That money of course, Grant, Smith & Co. and Macdonnell claim they have paid over to their subcontractors as received from the Government.

*By Mr. Blain:*

Q. Is it a usual thing for such accounts to come before you asking for a signature for a larger amount than the original estimate?—A. We often have excess in quantities, practically no contracts run inside the approximate quantities.

Q. And what do you do?—A. When they are inside a certain limit——

Q. What is that limit?—A. 10 per cent or so. We pass them, I pass them without reference because we always have the final settlement to fall back on, when the final estimate is made, when there is a large excess in quantity it is referred to the chief engineer.

Q. You take your instructions from the chief engineer?—A. I take my instructions entirely from the chief engineer, being his employee.

*By Mr. Bennett (Simcoe):*

Q. And there is always the deposit to fall back upon?—A. There is the deposit and the drawback to fall back upon.

*By Mr. Blain:*

Q. Was there anything special about the payment of that account?—A. Nothing.

Q. Was there anything extraordinary about it?—A. Nothing.

Q. There was no suggestion of pressure of any kind that you or your assistant should pass the estimates?—A. We were never asked to hurry a progress estimate through.

Q. Then this progress estimate just passed through your office in the usual way as the progress estimates of other contracts? So far as you are concerned?—A. Yes.

Q. And that applies to your assistant as well?—A. That applies to my assistant as well.

Witness discharged.



## APPENDIX No. 1

The examination of Mr. MACLACHLAN resumed.

*By Mr. Carvell:*

Q. Have you the plans with you this morning?—A. No, sir. I understood you were going to get the other plans here.

Q. I suppose a man is justified in doing some thinking without saying it. Let me tell you the other plans are not here?—A. Well, you told me last night, or somebody told me, that I could leave the plans with the other engineer this morning.

Mr. CARVELL: I know you were told to take them away.

The CHAIRMAN: The plans appear to be in your possession, Mr. Carvell, according to Mr. Howe.

Mr. CARVELL: I don't think that is true.

The CLERK: I said the last time I saw them I handed them to Mr. Carvell, in a blue envelope.

Mr. CARVELL: Here in the Committee Room.

THE CHAIRMAN: They have been undoubtedly mislaid somewhere. I don't think it is anybody's intention to withhold them.

Mr. CARVELL: I have not said so, but it is very unfortunate that important documents like these are missing.

Mr. PRINGLE, K.C.: It is very unfortunate the documents are missing, but fortunately we have the originals which the engineers are now working on. The others were only copies that were furnished by the Department.

Mr. CARVELL: I cannot proceed without the plans. I think I might just now commence to ask for what I want. I want to examine this witness with these plans, and I don't care about Mr. Pringle's engineers, whether they come here or not. I can quite understand that Mr. Pringle wants to make a case for his client—that is all right—but he must do that outside of this Committee in some way.

Mr. PRINGLE, K.C.: There was a thorough and complete understanding last night before we left that Mr. MacLachlan should take these plans and put them in the hands of the engineers employed to make the computations.

Mr. CARVELL: Yes, but they were to be back here this morning.

Mr. PRINGLE, K.C.: No. And in the meantime the impression was the other plans would turn up. Mr. Howe was asked what had become of the other plans and he said he handed them to you in a blue envelope.

Mr. CARVELL: We are not talking about those plans but about the plans that the witness MacLachlan brought here.

Mr. PRINGLE, K.C.: We can have them in 20 minutes if you want them (to Mr. MacLachlan). You had better go and get the plans from the engineers.

Mr. CARVELL: We want the plans because we cannot proceed without them. This has been put off long enough. Now we had better get down to business.

Mr. PRINGLE, K.C.: We are not putting it off.

The CHAIRMAN: The missing plans were the plans that were produced and handed to you. The plans in the possession of the engineers were Mr. MacLachlan's plans.

Mr. CARVELL: Those are the plans we want, the plans produced by MacLachlan. They were filed with this Committee.

The CHAIRMAN: Not until after the missing plans were put in. The plans which you complain of if lost have been lost through your own fault or the fault of somebody else. They were last seen in your possession, according to the Clerk.

Mr. CARVELL: I am not talking about those plans at all. I am talking about the plans produced by MacLachlan. They are in evidence and I want them.

Mr. J. S. MACLACHLAN.

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The CHAIRMAN: It was presumed last night that the missing plans would turn up in your possession. Under that impression MacLachlan was allowed to take away the plans which he had filed.

Mr. CARVELL: I want the plans left here so that I can go over them with an engineer and examine them.

The CHAIRMAN: That is perfectly right.

Mr. PRINGLE, K.C.: You will have to make application for the engineers to come over with these plans. They were asked to go over them and make certain computations. Everybody has been asking what the quantities were in June, July and August, according to these plans, and I thought it better that they should be worked out.

Mr. CARVELL: I think in future we had better leave plans like these in the possession of the Committee.

The CHAIRMAN: We thought we had the plans in the possession of the Committee, but apparently they have gone astray.

Mr. PRINGLE, K.C. (To Mr. MacLachlan): You had better telephone down for the plans and get them sent up by special messenger.

Mr. CARVELL: It is 12 o'clock now. That means the loss of half an hour before we get the plans up here.

The CHAIRMAN: We had better go on with the next witness.

Mr. CARVELL: That depends upon who the next witness is. I don't want to go on with Mr. MacDonald until I have examined Mr. MacLachlan. I do not suppose, however, I have a right to dictate to the committee what should take place.

The CHAIRMAN: I should think not. If Mr. Pringle wants to go on with Mr. McDonald's examination he had better do so, and we may be able to complete the examination in chief this morning.

Mr. CARVELL: Let us argue this thing well. There is no good in laying down the law until we have first had a chance of discussing it. I have tried to meet Mr. Pringle in this investigation. It is admitted by all parties that we are really going into matters here which will be of value to Mr. Pringle in his action against the Government. I wish to expedite matters all I can, but I do not think that Mr. Pringle would like to ask that this thing be pressed on against our wishes at this stage. If he wants to take that course, all right, but I do not think he will do so. I do not think personally that the time of this Committee is so very valuable that we should be forced on against the wishes of all parties. I am quite willing to come back this afternoon or this evening or both. I would suggest that now the Committee adjourn until after dinner.

The CHAIRMAN: I suggest that we go on with the examination of Mr. McDonald, and if Mr. Carvell feels that he is not able to cross examine him it will be quite fair for him to suggest an adjournment then.

Mr. PRINGLE, K.C.: I am entirely at the will of the Committee. As Mr. Carvell suggest that we should adjourn until the evening, it will afford us additional time for preparation, and that would suit me for this reason: I am very anxious for these engineers to get through making their computations, and I don't want to disturb them while they have the plans in their possession. I think it would be much better to have a session this evening.

The CHAIRMAN: Would not that interfere with your examination of Mr. McDonald?

Mr. PRINGLE, K.C. If we put Mr. McDonald in the box, it is going to take a very considerable time, the cross-examination especially. I think we can finish up with Mr. MacLachlan this evening entirely, and then start in with Mr. McDonald and try and finish him to-morrow. We have no other evidence to-morrow.

Mr. J. S. MACLACHLAN.

## APPENDIX No. 1

THE CHAIRMAN: Will the engineers have their computations finished by this evening?

MR. PRINGLE, KC.: I hope by this evening, or the first thing to-morrow.

Witness retired.

Committee adjourned until 8.15 p.m.

## HOUSE OF COMMONS,

COMMITTEE ROOM No. 303,

THURSDAY, April 13th, 1916.

The Select Standing Committee on Public Accounts met at 8.15 o'clock p.m., the Chairman, Mr. Middlebro, presiding, and resumed the consideration of certain payments to Grant, Smith & Co. and Macdonnell, Limited, in connection with dredging at Victoria, B.C.

MR. CARVELL: Mr. Chairman, after leaving here to-day I went down and made another search of the room which I occupy and I am happy to say I have found the missing plans. The facts are they, in some manner, got away behind the desk where they were never expected to be.

MR. J. S. MACLACHLAN recalled and examination resumed.

*By Mr. Carvell:*

Q. Mr. MacLachlan I wish you would look at these plans—these are the plans which were given me by the Public Works Department—and I would like you to compare these with the one you have produced and tell me whether they are duplicates of one another. There are three plans (Plans handed to witness).—A. These were taken as copies from the maps in my office. There are some marks on them which were not there when they left my office.

Q. Which are the marks?—A. Some red pencil marks. I do not know what they represent.

Q. Look at them carefully and I think you will find there are quite a number of very light pencil marks?—A. Yes, light pencil marks, yes.

Q. And were those marks there when the plans left your office?—A. No, not to my knowledge.

Q. Would it be fair to assume whoever put those pencil marks on them did it for the purpose of making contours of some kind?—A. Yes.

Q. I may tell you I have followed the red pencil marks across it and it approximately covers the contour about 21 feet. Now see if that is right?—A. It might represent it—it represents its approximately; there is the 20 feet contour there (indicating)).

Q. Approximately, I figured that. Then you will notice next to the other there is a very light pencil mark and I figured it represented around the 19-foot contour, say what you think of that?—A. There are two light lines here.

*By the Chairman:*

Q. That is below the low water mark?—A. Below the low water mark, yes. That (indicating) is the shape of the earth underneath, and might represent the 19 feet contour.

Q. I have another one here I might as well produce (producing plan), is that also a copy of a plan in your office?—A. No, sir.

MR. J. S. MACLACHLAN.



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Q. Well, have you the original or a copy of that plan?—A. I have a copy of a portion of that plan. It appears to me to be the plan showing the original location of the piers marked in white lines, and also it looks to me like the present location of the piers marked in red.

Q. I think this is the plan that was given here before?—A. It looks to me in that way.

Mr. CARVELL: I want to have that identified, because I am going to get these plans out of my hands to-night.

*By the Chairman:*

Q. You are referring now to Plan 218?—A. Yes.

*By Mr. Carvell:*

Q. What is the next one? (Producing plan.)—A. I think I have seen this before in Mr. St. Laurent's office. It is, as far as I know, plottings of the drill records taken from my original boring records, to a different scale.

Q. Is the plan prepared by you?—A. No, sir.

Q. Well now, I think we have evidence by somebody on that, and I think you will notice there are red lines drawn through these cross sections, practically or nearly on every one?—A. Yes.

Q. Then there is a shaded white line at the top. I suppose you would know what the red lines represent?—A. Well, I could possibly find out, approximately (examines plan). It states on the map that the red lines denote the rock depths determined by the test borings.

Q. And what do the white lines denote?—A. Well, they possibly represent the surfaces of the rock as calculated from the drill record itself.

Q. I think you are right, that was the explanation given?—A. The red line is the rock surface as determined by Mr. Davy's test borings.

*By the Chairman:*

Q. That is it shows he does not allow rock until you go down there?—A. Yes. It is called the Victoria Harbour key map showing the positions of cross sections 2 to 47.

*By Mr. Carvell:*

Q. There are three or four of them, they stand together. What is No. 1?—A. Sheet 1 is a blueprint of the plan of the work at present being carried out, the location plan.

Q. It also shows the rock borings, presumably those made by Mr. Davy?—A. The rock borings, and it also shows the soundings taken on the original survey.

Q. That would be both the elevation of the bottom of the harbour as well as the depth of rock below low water?—A. Yes.

Q. Now then, Sheet 2, these are cross sections, I presume?—A. That is cross sections of the work at present being carried on. It also represents the harbour bottom, the bed, but the rock surface isn't shown there. There is one portion here shown where the rock surface is shown, that is rock to be excavated is shown by hatched lines.

Q. And what is the third plan?—A. The third shows the details of the construction of concrete and reinforced work.

Q. That does not apply then. Now did you have a copy of the originals of these plans?—A. I had a plan sent to me from Ottawa by Mr. Lafleur, the same as 1 to 3.

Q. Now, have you your plans with you?—A. Yes. (Producing plans).

Q. That, I understand to be the contour, is it?—A. Of the Eastern Slip.

Mr. J. S. MACLACHLAN.



## APPENDIX No. 1

Q. Now, Mr. MacLachlan, when was this plan prepared?—A. The records come in—

Q. No, that is not what I am asking you.—A. I want to explain to you.

Q. When, I am asking you, was this plan prepared?—A. That is what I want to explain to you. This plan was prepared daily—or not this plan, but a plan was prepared daily from which this plan was taken.

Q. And where is the original plan?—A. It is in Victoria, this is an exact copy.

Q. Well then, it is a fact, that this plan that you produce here, the real paper was not prepared daily, weekly, or monthly?—A. The plan itself is not, but it is a copy of that which was prepared daily by the man in the office.

Q. And that plan which was prepared daily is not here?—A. It is too large to carry around, it is a double elephant sheet.

Q. Have you the tracing of it here?—A. No sir.

Q. That is also in Victoria?—A. This print was taken from the tracing, and therefore it must be the same. Just a moment—it is difficult to put the actual progress on a tracing. When we have to colour plans we take the blue prints to show the progress each month.

Q. When were these actual documents which you have produced prepared?—A. These actual documents were prepared for Mr. St. Laurent when he was out there.

Q. That would be in the month of January?—A. Yes, in the month of January. They were prepared at the time he was there by a third party.

Q. Were they not prepared for Mr. Valiquet when he was there?—A. Not these.

Q. These were not prepared?—A. These were not prepared.

Q. Weren't they copied, or whatever word you wish to use—did these not come into existence, as pieces of paper after Mr. Valiquet was there?—A. Certainly.

Q. When Mr. Valiquet was there did you show him the original working plans?—A. Yes.

Q. And would the original working plan be the same as that except that it would not be coloured?—A. Exactly the same.

Q. Now I want you to take the plan, or rather these slips for the month of July. The part of the plan that is coloured green represents the work, as I understand it in the month of July?—A. Yes.

Q. And what do the figures on that plan represent?—A. The depth below low water of the material which the drill plant could not penetrate.

Q. Then this refers only to the drilling and to what is classified as rock, and not to that portion which you classified as earth?—A. Yes.

Q. Then if you would take all the material in this plan coloured green you will find the most of it in the month of July and some of it in the August record?—A. Yes.

Q. The green on those two plans would show the amount of material drilled which you classified as rock?—A. Yes, sir, excuse me a moment, I will explain that question. A portion of this material as represented here has not been all returned as hard material. Certain portions have been deducted from that.

Q. Well, take the East slip; what percentage has been deducted from that in order to arrive at the quantity of rock?—A. I do not work it out on a percentage basis. I took an average of the borings; I deducted one foot from all the boring record as shown here (indicating).

Q. That would apply to the green on No. 2 slip?—A. No, sir.

Q. Did you make any deductions from the green in No. 2 slip?—A. The records of the middle slip had deductions made from each boring of 6 feet.

Q. In the middle slip you have taken off 6 feet?—A. 6 feet.

Q. In the East slip, you have taken off one foot?—A. From each record as represented there.

Mr. J. S. MACLACHLAN.

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Q. And those two plans marked green would represent the boring in the month of July?—A. Yes.

Q. Now, will you take the middle slip first, and tell me how much area there would be that was classified as rock?—A. Area?

Q. Yes.—A. I have to calculate that out.

Q. I want it understood that any answer you give on this will be an approximate estimate, because I understand you cannot make it accurate. But the distances are marked there. For instance, take this long, narrow strip you have here, 90 feet long by 10 feet wide (indicating).—A. (After calculating) 90 by 34. These points represent the end of section of material classified as hard material. All this portion outside has been deducted.

Q. I am talking about that portion coloured green.—A. I beg your pardon, that is 90 by 20.

Q. No.—A. No, 90 by 10

Q. Let us figure that up then.—A. That is 90 square feet.

Q. What would be the greatest depth you find on that area?—A. You mean the greatest depth below water?

Q. The greatest depth bored?—A. That would be shown as the highest depth below water. So far as I can see it is 26 feet.

Q. And what is the lowest?—A. 26 feet represents the depth below low water. That means there is 10 feet to be bored off that.

Q. You make a deduction of 6 feet, that would be 4 feet to be classified as rock?—A. Yes.

Q. Take the next point.—A. The next point there is no rock at all. The drill plant went through that material

Q. Did you find many places there where you were really on the grade?—A. There are several places we did reach material that could not be classified as rock.

Q. Did you find many places in that area which would represent grade?—A. The plant would penetrate material—do you call that grade?

Q. I call 36 feet grade.—A. We did not reach grade anywhere on that area.

The CHAIRMAN: Within 36 feet of the surface.

*By Mr. Carvell:*

Q. Classified material?—A. Classified material. We reached it all along here, except where the drill plant penetrated.

Q. Perhaps I can assist you some. Take this line along here (indicating and reading elevations). You find practically the same elevation on the next line. So there are many places, if you deduct your 6 feet, you will be down to grade?—A. Yes.

Q. Now, taking the greatest amount of rock you find, would be 4 feet?—A. In feet?

Q. There are no places you find rock at all by deducting 6 feet?—A. Yes.

Q. Would it be fair to make two feet as an average of rock?—A. Very approximately, I cannot say that, of course.

Q. Will you multiply them out, and tell me the number of cubic feet?—A. Going on the assumption there is only 2 feet to be bored?

Q. Yes?—A. That is 180 cubic feet.

Q. It is more than that?—A. It is  $90 \times 10 \times 2$ .

Q. That would be 1,800, I think?—A. Yes.

Q. Now, will you take the next area on that same plan. What is the length of it?—A. 90 feet.

Q. The width?—A. 37 feet.

Q. Multiply those please.—A. 3,330 square feet.

Q. Now I want you to take the same method as to what you consider an average

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depth of rock. Let us go over it and see what you consider the highest—that is the most rock—you find there? Take the bottom line which seems to be the most (reads elevations on plan). Will 22 feet be a fair average for that?—A. 22 would possibly be.

Q. All right, now let us work it out—you deduct 6, and that would leave 14—22 feet and take from that 14 feet?—A. And 6 off of that.

Q. That would make 8?—A. 8.

Q. All right. Now take the last line (reads- 32, 33, 31, 34, 30, 26, 28, 29, 28, 26, 7; and then in the centre this seems to run out gradually. Would it be fair to say it runs to grade?—A. No, I do not think so, outside it does, but not in the centre.

Q. Let us take the centre black line?—A. That is approximately, yes.

Q (Reads) 26, 28, 29, 28, 29, 27, 26, 25, 24, 27, 24—about 28 on the average?—A. Yes.

Q. That would be 28 and add 8 makes 36 and take 6 off that you would have 2?—A. 2.

Q. Then you would have 8 on one side and 2 on the other, what would the average be?—A. 5.

Q. All right, multiply the other quantity by 5 and what does it make?—A. 16,650.

Q. All right, put that with the 1,800. Now then, take the next plan?—A. You mean the first one?

Q. Yes.

The CHAIRMAN: I do not think that is a fair average for you, Mr. Carvell, if you do not mind my saying so.

Mr. CARVELL: I do not care what it figures out, I am trying to get an approximation.

The CHAIRMAN: A fair average would be to take from nothing there, to 8 there.

Mr. CARVELL: Well, the witness would not accept that, I thought it was fair. However, I think we are going to make all the quantities there are there by this method of calculating?—A. I can guarantee that.

*By Mr. Carvell:*

Q. Then our estimate will be over rather than under?—A. The quantities you will get by this method will be over the actual quantities.

Q. Now would you be able to make a computation of that kind on the next plan, on the third? I think it would be too much perhaps—A. I do not think it is practicable by such a method—it can be done, of course.

Q. Very well, let us go over it approximately?—A. From the east face of pier 2, on the righthand side there we have a boring of 60 feet.

Q. I understand all this coloured green was bored in the month of July?—A. Yes, that is approximately 237 feet in length.

Q. That is 237 feet in length?—A. Yes.

Q. What would be in width? It is narrow down one end and wide at the other; would it not be about right in the middle?—A. Yes, 70 feet wide.

Q. Are you taking now all that coloured to the end of the green? Don't do that, because you have 10 or 12 feet there where you have no rock at all.—A. I am just taking it to the head.

Q. Yes, but there is no rock there for 10 feet?—A. That is about 57 feet.

Q. And what is the length now?—A. 237 feet.

Q. Then that will be 237 by 57—now I realize that won't make this at all accurate. You would have to divide it up in sections?—A. That has already been done.

Q. That has been done?—A. Yes.

Q. By whom?—A. By a man in my office.

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Q. Have you the computations here?—A. I have the cross-sections which the engineer is working on at present, and which can be produced at any time you wish.

Q. Have you them here to-night?—A. They are not here to-night.

Mr. CARVELL: I wonder if the Department has figured these up. Mr. Davy, has the Department figured these up?

Mr. DAVY: Yes, we have the quantities approximately.

Mr. CARVELL: Will you just let us see what you have.

Mr. DAVY: These (producing documents) are Mr. MacLachlan's statements.

A. These are the statements from the cross-sections.

*By Mr. Carvell:*

Q. These were figured out in your office, were they?—A. Yes.

Q. And this was sent to the Department after the 10th day of January, that was after Mr. St. Laurent was there?—A. Yes, they were sent to Mr. St. Laurent himself.

Q. Can you give me the quantities for the month of July from these?—A. Well, no, you have to deduct the quantity of material done in the month of June.

Q. But if you have the amount in June you could get it?—A. Yes, that could be deducted.

Q. Well, we can easily get it in the month of June.—A. We will have to do it approximately, for 94 feet long.

Q. 94 feet long and 10 feet wide?—A. The actual quantity returned would be about 10 feet wide, yes, after taking off a foot.

Q. If you take off a foot there wouldn't be anything at all?—A. Along the lower line near the shore, you have portions there 31, 30, 36, 36, I think for a very approximate estimate you might include that portion.

Q. That is what I thought, it looked to me as if there was nothing in it.—A. No.

Q. With that information can you give me the quantities for the month of July?—A. I think it is figured here, 6,471 cubic yards.

Q. That was the amount of rock which was blasted in the month of July?—A. I think we had better take June and July together, that would be the better way. You see there is such a very small quantity done in the month of June.

Q. I think it is practically admitted there was nothing done in the month of June?—A. There was, there was some, a very little, but I do not know what it amounted to.

Q. It was returned at 850 yards, but it was admitted that was only an estimate in order to assist the contractor. You do not mean to allege there was anything like 800 yards taken out in the month of June?—A. No.

Q. Very well, we are not finding fault with it, 6,471 yards, was it?—A. 6,471.

Q. If you deduct from that the 800 in June?—A. There was no deduction on that I think.

Q. Well there was returned in June 864 yards?—A. Yes.

Q. And if you deduct that 865 yards?—A. That gives 5,607.

Q. Now how much rock did you return for the month of July?—A. Well, I cannot tell you that offhand, but I can get the figures. (Consults documents). (For the month of July I returned 4,800 yards.

Q. That is for the month of July?—A. No, excuse me a moment, the amount actually certified for that month was 4,783 cubic yards.

Q. That does not seem to figure out.—A. I took the deductions, if you wish to know, and when I sent my quantities to the Department I made certain deductions.

Q. I thought the total amount returned for the month of July was 5,100 yards?—A. No, sir, you have the returns here.

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Q. I know we have, and my recollection might be wrong.—A. The amount returned for the two months was 4,782 cubic yards.

Q. Now, can you tell me where the dredge was working in the month of July?—A. Yes.

Q. Well, point out the areas, now.—A. The area is represented by the green colour.

Q. Where was that dredge working?—A. I cannot tell you, sir, we do not keep any record of where the dredge is working in any month.

Q. Then how do you arrive at the quantities of earth you returned each month?—A. We took the approximate scow returns as the total quantities of the material removed.

Q. Then you made no actual measurements on the bottom of the harbour to arrive at the quantity of earth you return?—A. In dredging work that is impossible.

Q. I am asking you again, did you take any actual measurements?—A. No.

Q. You did not; now, if you want to, you can explain why?—A. In dredging work it is impossible to do that. The dredge works continuously over the areas, the scows are there, the tugs are there, this area is a long distance from the shore and in order to take measurements and soundings lines have to be attached to the shore, and the scows continually moving around break the lines so that it is impossible, and we take the approximate scow returns when making our progress estimates.

Q. Now, I want to get down to the month of October. Can you show me the amount of boring or drilling that was done in the month of October?—A. In October?

Q. Yes.—A. Drilling?

Q. Drilling, yes?—A. That has not been returned here for this reason—that was a very heavy cut, in some portions to a height of 16 feet below water mark, that would leave a 20 foot cut, which was considered by the contractors too heavy to do in one operation. The records will show the top elevation of the hard material found, they took the total off in two operations. I did not consider it necessary that the second records should be plotted when the first portion was carried through and I did not consider it necessary to make a record of the second portion because we had the top surface already, and that would give the quantity which was the only thing the Department required.

Q. Have you any records of the location of the drilling done in the month of October?—A. I have, but there is nothing entered in the map.

Q. Have you the data here?—A. All the data is here and that is in the Inspector's reports.

Q. I think we have from Mr. Woolley evidence that may assist us in that?—A. Yes, if he has his records here—I can tell you from here, sir, for example on the 30th of September the drill commenced working here (indicating).

Q. What does "here" mean?—A. That is on line 297 produced westerly, it is not shown on this map, but this has already been reported. It was just an overlapping of records, but it is on the line of Range 297 produced westward, commencing from a point 297 feet west of this Range I get the commencement of my borings on the second cut.

Q. Let me ask you one question before you go into that, do you mean to say that every portion of the dredge area had been bored to some extent in the month of September, or down to the end of the month of September?—A. Yes.

Q. Now will you take some work that you did in the month of September, take anywhere at all that would show—take there (indicating) there is figure 17, that shows a drill hole, does it not?—A. Yes.

Q. What does it denote?—A. The depth beneath low water.

Q. That will be 17 and 2, 19 feet?—A. 19 feet.

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Q. 19 feet of classified material below that?—A. Below that.

Q. Now, if you have the record for the month of September, wouldn't it show 19 feet of drilling?—A. Yes.

Q. It would?—A. Yes.

Q. It would appear in your computations?—A. Appear in my computations.

Q. Then, if as a matter of fact you only took out 10 feet on that on the first lift, and you went over it the second time, would not that appear in Mr. Woolley's records as doubling over the same area?—A. Do you mean in the depth bored?

Q. Yes?—A. I do not know what is in Mr. Woolley's sheets, but it does not show it in my quantities. It is impossible to do so.

Q. You heard Mr. Woolley's evidence?—A. I do not think that is correct from Mr. Woolley's evidence.

Q. Well, Mr. Woolley gave evidence here yesterday that he drilled so many feet in the months of June, July, August, September, October and November?—A. Yes.

Q. If I take any point, say if the figure is 17 that would denote there would be 19 feet of drilling done. I would like to know if Mr. Woolley's and your records overlap one another?—A. Assuming from the point you referred to 17 feet, that means there is 19 feet to be bored. According to your assumption if he bored 10 feet in the first lift, and if his plant came over it the second time the rock surface would show, you say, 9 feet more to be bored. Then, I do not see how it could overlap.

Q. Unless his records showed 19 feet bored the first time?—A. I don't see how it could do that.

Q. I would like to know if his records show 19 feet bored or 10 feet?—A. It is very easy checking it up, Mr. Carvell, if Mr. Woolley has his records here.

The CHAIRMAN: Mr. Woolley, have you your boring records here?

Mr. WOOLLEY: Not here to-night, but you have a set of them on file. You have copies.

The WITNESS: There was a set sent to the Department. (Copies produced by Clerk).

*By Mr. Carvell:*

Q. Now, will you tell me what date Mr. Woolley would have been—take any one of these. What I want is a date that goes over this area that Mr. MacLachlan thinks was bored twice.

Mr. WOOLLEY: There was an area bored twice, and I asked him if he had been plotting the second one.

The WITNESS: I have only plotted original borings as taken by my inspector.

Mr. CARVELL: We might as well test this out.

The CHAIRMAN: It would be some time in September.

Mr. WOOLLEY: Part of it in September, and part of it the latter part of August.

*By Mr. Carvell:*

Q. Take range 271?—A. That is on the 16th September.

Q. Let us take now anyone of Mr. Woolley's records.—A. That would be drill No. 1, morning shift.

Q. There is drill No. 1 in the a.m. shift September 15th (indicating Mr. Woolley's records). Now, will you tell me what the tops of the holes were?—A. (Indicating) 16.5.

Q. What do you say was the amount of rock to be excavated at that point?—A. Assuming 16, in round numbers, deducted from 36 is 20.

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Q. Here we find one hole 6.7, the next is 11, the next 7.2, the next 8.6. That is, according to that you have only charged for the first lift.

Mr. WOOLLEY: There are two classes of material. And we found out that we were running into deep bumps of rock here and there, and we ran over and took the softer stuff off at the top lift, and these holes ran irregularly, and these holes probably developed beside ledge rocks. This is the first plotting. And you will also see that these ranges are further apart than anywhere else, and it is only the top lift that is plotted there.

Mr. CARVELL: I see.

*By Mr. Carvell:*

Q. Now, can you show me down in the month of say, October or November, when you finished that up on the same range?—A. We started work on the second lift on September 29th or October 1st.

Q. See where you were on October 1st.—A. I worked on range 291 on October 1st.

Q. Can you find the same range we were working on?—A. I will try it, (consults plan). Rock was beyond this particular one. Record corresponds to 16.5 on the first cut, represents 16.5 on the second cut, which represents 18.5. That means there was only 2 feet taken off that portion.

Q. How was that?—A. The first record shows 16.5 below water mark.

Q. That would leave 20 feet to be drilled?—A. Yes. Now the second cut shows a depth of 18.5 below low water mark, which shows 2 feet removed on the first cut.

Q. Only 2 feet removed on the first cut?—A. That is all.

Q. If we have the correct data here it shows 6 and 11, 7 and 8?—A. Bored.

Q. The amount bored at the first cut?—A. Certainly.

Q. Then how do you say now there were only two feet removed?—A. According to my record here there were only two feet removed.

Q. Well, I do not know, but I must say there seems to be a discrepancy somewhere.—A. Not on my record, I know about that.

Q. But taking your record and Mr. Woolley's together, however, there does. Now where did you do any dredging in the month of October?—A. Well, I kept no accurate record of where the dredge was working, but the dredge worked after the drill plant until the dredge caught up with the work done by the drill plant.

Q. Well you just say that again, please?—A. The dredge worked on the area drilled by the drill plant, and always worked behind it.

Q. Would the dredge in the month of October have removed material blasted in the month of October?—A. If the previous work done had been done with sufficient rapidity to have caught up with the work of the drill plant.

Q. Is that the nearest you can give me as an answer to that question?—A. Well, I kept no record of where the dredge was working at any time, and I cannot say.

Q. Have you your scow reports here for the month of October?—A. We never kept the scow reports.

Q. You tell us you estimate your quantities from the scow reports?—A. These are very approximate, and we never kept them.

Mr. PRINGLE: The witness has not stated that he took the scow reports upon which to base his returns.

Mr. CARVELL: He said he estimated the amount of material from the scow reports.

*By Mr. Carvell:*

Q. Did you not state, not fifteen minutes ago, that in your returns of earth, you were referring them to the month of July, that you based that on the scow reports?—A. I based my reports on the scow returns.

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Q. Now, I ask you, where are those scow returns?—A. They are not available at all, they were very approximate, and were only sent in in a rough sheet every day to the office, they were not permanent records of the work done, and there was no necessity for keeping them.

Q. Anyway they were not kept?—A. Mr. Mallory always sent in corresponding reports of the scows which were checked up in the office before the return was sent to Ottawa.

Q. Can you not tell me from memory, if you haven't the records, where the dredging was done in the month of October? The work is not very large, and I would think you would have some recollection of it?—A. Well, I think, I am not quite certain about it, I should think the dredge was working on the area bored in August, and in portions of September; that is coloured pink, all around here (indicating).

Q. On the areas coloured pink and brown?—A. Yes.

Q. That would be on the middle section?—A. No, on the West Slip. I can certainly say that the dredge plant must have been working somewhere on the West Slip.

Q. Is that the nearest to it you can go?—A. That is the nearest to it I can get.

Q. And you cannot say whether the dredge removed any material that was blasted in the month of October or not?—A. I certainly can.

Q. What do you say about it?—A. I can say that the dredge removed material that was blasted, in October.

Q. In October—material that was blasted in October?—A. I cannot say that.

Q. I would like you to get as near to that as you possibly can. That is what I would like you to refresh your memory on.—A. (After consulting record.) Yes, I think that the dredge did remove some material that was blasted in October; I think they did, but I am not quite positive.

Q. How long did the dredge work in the month of November?—A. That was after Mr. Valiquet's investigation?

Q. Yes.—A. Approximately seven or eight days, I think.

Q. How much would the dredge handle, approximately, in a day?—A. Well, about 800 to 900 yards.

Q. Then in seven or eight days there would be 6,000 or 7,000 yards removed during the month of November?—A. Yes.

Q. How many days did it work in the month of October?—A. I have no records, but I should say, taking it generally, about 26 days.

Q. I think it would do the same amount of work during that month, and I should say, therefore, that would be 23,000 or 24,000 cubic yards removed in the month of October?—A. Yes, there is a double shift, you must remember.

Q. I know, I am only asking you as to the total quantities removed in the month of October and I am giving you a very great deal of latitude. Would it be 20,000, 22,000 or 25,000 cubic yards?—A. I would say 25,000 or 26,000 cubic yards.

Q. That would be removed?—A. Yes.

Q. Now, I want you to take up the progress estimates for the month, up to the end of September.—A. They are here, sir, to the 30th of September.

Q. Up to the 30th of September what was the total quantity of earth removed that month?—A. 31,940 yards.

Q. And the total amount of rock?—A. The total amount of rock excavated was 20,183 yards.

Q. And the rock blasted but not removed?—A. 5,105 yards.

Q. Add them together, please?—A. You want the sum total?

Q. The sum total?—A. 57,228 yards.

Q. 57,000 yards is the sum total?—A. Just a moment—"amount blasted but not excavated" is included in that, that has not been excavated by the dredge.

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Q. I know, I am aware of that, but the sum total, both blasted and removed would be 57,000 yards, the same amount?—A. No, sir.

Q. I should say, "blasted and removed" or "only blasted," the two added together?—A. Which do you want?

Q. I want them all.—A. I have the whole material, both removed and not removed.

Q. That has been blasted?—A. The total is 57,228 yards, and 5,105 of that has not been removed.

Q. Now, will you kindly turn to the progress estimate at the end of October?—A. I do not see it here.

Q. I think you will find it there later on. Now, will you take the total quantity of earth removed to the end of October?—A. 31,940.

Q. Now, take the total amount of rock removed?—A. 25,288.

Q. Will you add the two together, please?—A. 57,228.

Q. That makes the total exactly?—A. Exactly.

Q. Then there is no increase in the total yardage for the month of October?—A. No increase, but there is an increase of 5,000 yards of rock blasted, but not removed on which 50 per cent was paid in the previous month.

Q. In the month of October you removed 5,000 yards of rock which had been blasted and not removed in the month of September?—A. No, sir, these estimates were only progress estimates.

Q. That may be, and I am asking you because you are discussing your own documents. You told me that at the end of September you had removed a total of 57,000 yards, and of that amount 5,000 yards had been blasted but not removed. You told me also that at the end of October your estimates showed the same identical quantity of material but that 5,000 yards had been transferred to the removed column?—A. Yes.

Q. And a little while ago you told me that in the month of October the dredge would have handled around 25,000 yards, and 5,000 yards of that was material which had been blasted and not removed. Where did you get the other 20,000 yards?—A. It was material that has been removed in the month of October; all these estimates are altogether progress estimates, and they are approximate.

Q. If you removed 20,000 yards of material in the month of October over and above what you had removed up till the end of the month of September, why did you not increase your progress estimates at the end of October by 20,000 cubic yards?—A. Because I wanted to keep on the safe side with my estimate.

Q. That is an enormous leeway on a 60,000 yard proposition. Now, Mr. MacLachlan, I want to give you every opportunity, if you think it worth while to explain it, but the facts are that you have given no increase of yardage, not one yard, for the month of October, and yet you say that you dredged and removed 20,000 yards over and above that which was blasted and not removed in the previous month.—A. I might say that even that 5,000 yards would not have been returned at the end of October only on Mr. Valiquet's suggestion.

Q. But Mr. Valiquet was not there until the end of October.—A. This October estimate to which I am referring was for work up to the end of October and that 5,100 yards which was returned in it at 50 per cent was included on Mr. Valiquet's advice.

Q. I do not care about that at all, but if it was only 1,000, 2,000, 3,000 or 4,000 yards I could understand it, but here is this enormous quantity of 20,000 yards which you say had been removed, which was actually dredged, and which comprised about one-third of the total operations, and you do not include one yard of it in your estimate.—A. The same remark applies to the drilling.

Q. Does it not come back to the proposition that everything you did was only from guesswork up to that time?—A. No, and I will tell you why; there was no guesswork about my original records, all my quantities were returned from them, and outside of that they are correctly made from the returns sent in daily by the inspectors.

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Q. But you do not seem to appreciate the position of things. You say you removed 20,000 yards of material in the month of October which was never touched before, and yet you did not add one yard to your quantities for that big increase. You must have overestimated your work up to the end of September by 20,000 yards?—A. I think I may have. No one can tell from the dredge records what quantity has been returned.

Q. If you cannot come within 20,000 yards of the actual quantity?—A. I must go by my records, by the reports of the inspectors who have returned the number of scows dredged.

Q. Can your inspectors have been out to the extent of 20,000 yards on a 60,000 yards contract?—A. It is quite possible, sir, remembering to deduct 25 per cent from the returned quantities.

Q. What kind of a dredge did you have on the work done to the 16th of August?—A. A clamshell.

Q. Would a clamshell dredge remove the rock there, that which you called hard material, or the actual rock, if it had been blasted?—A. She removed some of it.

Q. Is not the rock pretty well pulverized by the blasting operation?—A. Sometimes yes, and sometimes no. It depends upon the nature of the rock, upon the closeness of the holes, and it depends also upon the efficiency of the powder used.

Q. Evidently the clamshell dredge which you had there didn't do the work, did it?—A. No.

Q. Why did the contractors get the other dredge there?—A. Because the *John E. Lee* wasn't sufficient.

Q. If they had spent sufficient time with the clamshell dredge could this material have been removed?—A. If they had spent sufficient time it possibly could have, but it was not practicable. You know the old adage is that continual dropping of water will wear away a stone.

Q. Could that clamshell dredge have removed that material, not actual ledge rock, after it had been blasted?—A. It may have removed some of it, and may not have been able to remove more. It depends upon the conditions.

Q. That is the best answer you can give?—A. That is the best answer I can give.

Q. Can you tell us how much material the clamshell removed in the month of August? That will be up to the 16th, I think, or the time that the other dredge came on there?—A. I cannot say, I never kept any account of the amount of material dredged at all in any of my records.

Q. Well then, is it a fair statement to make that you returned the quantities of earth from the scow reports which you have not now, and which you think are not in existence?—A. I know they are not in existence, I am positive of that.

Q. Is it also a fair statement to make that the plans showed the borings which you produce here are copied from the original plan now in your office in Victoria, which is not here, and of course if they are in one place, they could not be in another. That is true, is it?—A. That is true.

Q. That the original plan is now in existence?—A. That original plan is now in existence.

*By the Chairman:*

Q. And a copy of it is in the department here?—A. These are the copies.

Q. And you swear they are true copies?—A. I swear that they are true copies.

*By Mr. Pringle, K.C.:*

Q. I do not exactly understand that October estimate. Did you always keep on the safe side in turning in your estimates?—A. Always.

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Mr. CARVELL: What do you call "safe side"?

Mr. PRINGLE: Leaving a safe margin to protect the Department.

*By Mr. Pringle, K.C. :*

Q. At any rate, you always kept a safe margin?—A. Always.

Q. These were only progress estimates, and for the final estimate—it was a place measurement contract—you would have measured up the exact quantities?—A. According to the returns, I think I am very much on the safe side.

Mr. PRINGLE, K.C. : That is all I have to ask.

The WITNESS: Mr. Carvell, you asked me to make a computation.

The CHAIRMAN: Mr. Carvell, the witness says you have asked him to make a computation of the deductions which he made. He has that table here.

Mr. CARVELL: I do not think that is very important now.

Mr. PRINGLE, K.C. : You may as well put that in.

*By Mr. Pringle, K.C. :*

Q. What deductions did you make?—A. August 6th, I deducted 40 per cent in the morning of material blasted and classified as rock; in the afternoon I deducted 35 per cent. August 9th I deducted in the morning 40 per cent, at night time I deducted 38 per cent. On August 10th I deducted 45 per cent in the morning, and 73½ per cent in the afternoon.

Q. Those were the dates upon which they showed what?—A. A high rate of boring as mentioned by Mr. Davy. On August 11th I deducted 20 per cent in the morning. On August 12th, 16 per cent in the morning and 11½ per cent in the afternoon. August 13th, 10 per cent in the morning and 12 per cent in the afternoon. September 1st I deducted 25 per cent in the morning and 20 per cent in the afternoon. On September 2nd I deducted 12 per cent in the morning and 10 per cent in the afternoon.

*By Mr. Carvell:*

Q. Where did you obtain this computation?—A. From my records, calculated from the number of holes bored each day, depending on the time and place where they were working.

Q. How can you tell now without your original plan here what percentage of deductions you made?—A. I can give the number of holes. For instance, on August 6th there were 90 holes bored in the morning, 86 in the afternoon. Allowing 6 feet per hole, that gives me the deductions of the whole.

Q. The whole of what?—A. 90 holes bored in the morning, deducting 6 feet for each of these holes, it gives me the total.

Q. How do you know?—A. I deducted 6 feet all over the centre slip, 2 feet in the Western slip, and one foot for the Eastern slip.

Q. And figuring from that, you take off the 6 feet and it leaves that percentage?—A. Yes.

Q. I thought you said a little while ago you deducted as high as 80 per cent?—A. On July 30th I deducted 50 per cent; on August 4th I deducted 84 per cent.

Q. Show us where they were drilling on August 4th?—A. (Consults plan.) They were drilling on the middle slip.

Q. Yes, will you give me the range?—A. I can (looks up records). They were working on range 205.

Q. What is the amount of material from the bottom of the harbour down to 36 feet level on that point?—A. One depth here was at 28 feet.

Q. That would represent 8 feet?—A. Yes. That means in that portion there was excavation to be carried out to 37 feet.



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Q. How much?—A. 37 feet, underneath the foundation of the cribs.

Q. That would be 9 feet?—A. I deducted 6 feet off the 9 feet for which the contractors will not be paid.

Q. That is where you arrive at the 80 per cent?—A. I have taken the whole morning's work. That is one portion of it.

Mr. PRINGLE, K.C. : Mr. MacLachlan has some telegrams which have a bearing on this matter to this extent, to show that he was in touch with his Department in connection with his work, and that the Chief Engineer must have known of that. Here is one wire from Mr. Valiquet dated September 22nd, which reads as follows:—

J. S. MacLachlan,  
Resident Engineer, P.W.D.,  
Victoria, B.C.

Letter 10th received, chief engineer wishes full report in detail as to progress and mode of construction adopted by contractors whether work is acceptable, in what particulars it is faulty and what instructions were given to contractors regarding same. On receipt of report it will be decided whether I should visit the works, cribs now on ways should not be launched unless found satisfactory after thorough inspection.

U. VALIQUET.

Then here is a wire on September 27th in reply:

VICTORIA, B.C., September 27th, 1915

U. VALIQUET,  
Superintending Engineer, P.W.D.  
Ottawa, Ont.

In reply to your night lettergram of the 22nd instant. I beg to inform you you shall report details this week. Work on three cribs on ways about to be launched conform to clause fourteen of specification is now satisfactory and they have been thoroughly inspected. Hon. A. Macdonnell reassures me progress from date will be all Department desires, and he is making preparations accordingly before leaving for the front early in October.

J. S. MACLACHLAN.

*By Mr. Carvell:*

Q. Do you remember of the Department writing you for a contour map of this work on the 29th September, or which you received about the 29th September?—A. If you can give some details—I do not remember particularly.

Q. I am asking you if you can remember of the Department writing you a letter asking you for a contour map of this work, which you received around the 29th September?—A. A letter I received?

Q. Yes.—A. I do not remember, sir; I may have, but I could not say. I will look up my records.

Q. Will you let us know to-morrow morning?—A. Yes.

Q. Have you got all your letters here?—A. All my original letters.

Q. Are they in the Committee room?—A. Not in the Committee room.

Q. You can look it up. I do not know what that would be dated at headquarters, but I am informed you received such a letter as that about the 29th September.—A. Asking for a contour of the work being carried out? I do not remember, I do not think I did.

Q. Look it up and see?—A. I will.

*By the Chairman:*

Q. Mr. MacLachlan, Mr. Davy in his evidence gave us a table showing the average rate per hour drilled on the same dates you have given us here. For instance,

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on August 6th, he showed that the average rate per hour drilled was 74 feet. Mr. Woolley in giving his evidence stated it was only 39 feet, and now you say you made a deduction of 39 per cent?—A. Yes.

Q. That brings the matter down pretty low.

Mr. CARVELL: Pretty low?

The CHAIRMAN: Mr. Davy put in a statement here showing that 74 feet had been drilled. Leaving that as it was it would look as though they were going through pretty rapidly. Mr. Woolley says that is wrong, that it is only 39 feet. I asked Mr. Woolley and Mr. Davy if they could get together to see if there is any error, but they have not done it. Apparently off that there is a deduction of 39 per cent again.

Mr. CARVELL: Well, let them figure it out and see what it leaves.

The CHAIRMAN: It figures down considerably.

Mr. CARVELL: It gives around 20 feet an hour and that, I say, was going some, drilling in rock. Forty per cent off the 39 is around 22 feet.

Mr. PRINGLE, K.C.: That is not heavy drilling in some kinds of rock; that is what I am told by Mr. Woolley, who has had some experience.

*By Mr. Carvell:*

Q. Can you figure up the amount of yardage comprised in the drilling on the six or seven days whatever they were, given by Mr. Davy, because I am going to ask Mr. Davy to figure it up and I would like you to do the same.—A. You want the number of yards on the days mentioned.

Q. Yes.—A. Yes, I can do that, but I cannot do it here.

Mr. CARVELL: Will you do that, Mr. Davy?

Mr. DAVY: What days are you referring to?

Mr. CARVELL: The days you gave evidence about.

Mr. DAVY: I will.

Mr. PRINGLE, K.C.: Before concluding, Mr. Chairman, I want to refer to a matter which affects my clients. Personally I do not think there was any intention of reflecting on the firm of McFee, Henry and McDonald, but they seem to think there was some reflection made upon them before this Committee the other day. Personally I do not think that what was said in the Committee did reflect on them but what appeared in the papers, rather than what occurred in the Committee, in their opinion did. What I want to say in regard to this firm is that it is a well-known firm. The two McFees were brought up in the County of Chateaguay and Mr. McDonald comes from Glengarry, the Auditor General's county. The firm is one of the highest possible standing, there has never been the breath of scandal connected with the firm during the many years they have been in business and they do not like to have anything in the nature of scandal connected with their name now. It is quite true their head office is in Seattle and, quite properly, they keep their books in Seattle. But I am advised by the firm to-day that all the books are coming forward immediately for the fullest possible investigation. They have nothing to hide in any shape, manner or form. During the progress of this work their books were kept where the work was carried on. The late Senator Young was, I think a cousin of Mr. McFee and whether they have done anything wrong in this work or not is a matter of investigation, but up to the present time I am quite sure there has been nothing in any way reflecting on that firm. I do not think there was any intention to cast reflection upon them, there may have been something said to Mr. Woolley in cross-examination referring to him, but I do not think there was any intention, in any way, of reflecting on either Mr. Woolley or the firm.

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Mr. CARVELL: If my friend is referring to anything I have said I certainly do not wish to cast any aspersions on any person. I know nothing about the gentlemen composing the firm of McFee, Henry and McDonald at all. I have heard of this firm in past years, and heard of them very favourably, but I know nothing about them whatever, and I do not wish to cast aspersions on any person. I have tried to get at the bottom of these things and possibly, like Mr. Pringle, I get a little warm sometimes, but my only object in this matter is to get at the real facts of the case.

Mr. PRINGLE, K.C.: The real question involved is that of classification, there is no question about that. I felt that myself, and I told Mr. Woolley to assure his people that there was no intention of casting aspersions upon his firm.

Mr. CARVELL: I would go further, and would say that the whole object of the evidence that has been taken here during the last week and a half is to decide whether a reasonable classification was given or not. We certainly have arrived at that point where there is not very much difference of opinion about the actual quantities. If Mr. Davy's rock borings are correct then I might assume that the amount of rock returned by Mr. St. Laurent will be correct. On the other hand if the proper classification is that contended for by Mr. MacLachlan, Mr. Woolley and the contractors, it would be the other way. I can assure you every question I have been asking has been for the purpose of trying to satisfy my own mind, and that of the country, as to whether the classification which has been made is proper or improper.

Mr. PRINGLE, K.C.: Now there is another point I would like to bring to the attention of the Committee, Mr. Woolley has an engagement in New York and would like to get away, but will come back if necessary. He would like to get away to-morrow, and, in the meantime, all these books will be sent to me and I will give Mr. Carvell an opportunity to see them.

Mr. CARVELL: That will be quite satisfactory, I have no objection to Mr. Woolley going away.

Witness retired.

Committee adjourned until 10.30 to-morrow morning.

HOUSE OF COMMONS.

Room 301,

FRIDAY, April 14th, 1916.

The Committee met at 10.30 a.m., Mr. Middlebro in the Chair.

The Committee proceeded to the further consideration of the payment to Grant, Smith & Company, in connection with dredging at Victoria, B.C.

Mr. C. E. McDONALD, being called and sworn, was examined as follows:—

*By Mr. Pringle, K.C.:*

Q. Where do you reside?—A. In Victoria, B.C.

Q. Have you been living in the west for a number of years?—A. Yes.

Q. Formerly of Glengarry?—A. Yes.

Q. You had a sub-contract from Grant, Smith & Co. and Macdonnell, Limited?  
—A. Yes.

Q. For excavation work in Victoria harbour?—A. Yes.

Q. A copy of your contract, I think, has been put in?—A. The original is in, I believe.

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Q. This is the original contract, dated 13th July, A.D. 1915?—A. It was earlier than that.

Q. This is your contract with McFee, Henry and McDonald?—A. Yes, but not with Grant, Smith Company.

Q. Give me your first contract with Grant, Smith & Co. and McDonnell?—A. You have it, it is in that envelope marked "contracts."

Mr. CARVELL: Is this the document we had yesterday?

The CHAIRMAN: Yes, it is the one you filed.

*By Mr. Pringle, K.C. :*

Q. This is your contract with Grant, Smith & Co. and Macdonnell Limited?—A. Yes.

Q. April 23rd, 1915?—A. Yes.

Q. I see you were to get for earth excavation 35 cents and for rock \$7?—A. Yes.

Q. And your payments were to be made on the basis of the monthly progress estimates, as passed by the Dominion Government?—A. Yes.

Mr. PRINGLE, K.C. : I put this contract in. It reads as follows:—

GRANT, SMITH & Co. & McDONNELL, LIMITED.

HARBOUR WORKS, VICTORIA, B.C.

April 23rd, 1915.

Mr. C. E. McDonald,  
Victoria, B.C.

Dear Sir,—

Replying to your letter of 22nd inst., re tender on Rock and Earth excavation at St. Pier Site, Outer Harbour, will say, that if permission can be obtained from Government officials as specified in our contract with Dominion Government, will enter into a contract with you under following conditions:—

You are to do all Earth and Rock dredging as per plans and specifications and deposit the said Earth and Rock excavated between the rubble mounds of Piers Nos. 2 and 3, or as directed by our Engineer.

The price of Earth excavation per cubic yard will be 35 cents.

The price of Rock excavation per cubic yard will be \$7, both materials deposited in place as above specified.

It is understood that you are to furnish everything in the way of equipment, labour and anything else necessary for the above work, payments to be made by us to you based on the monthly progress estimates as passed by the Dominion Government Resident Engineer, said payments to be made to you when Government Cheque is received by us which includes your progress or final estimate respectively.

The terms as embodied in Department of Public Works, Canada, Specification, for the construction of two wharves at Victoria, B.C., must be complied with by you in every respect. It is also understood that Liability Insurance will be carried on men employed by you while work is in progress, the premiums on same to be paid by us and charged to your account on amounts obtained from certified copies of your monthly Pay Rolls. Hospital fees will also be deducted from each man on your Pay Roll.

It is also agreed by you that the drills which were made for us for the aforesaid work will be taken over and become a charge against your contract, price of drills to be based on invoices and other charges paid by us for same.

Grant, Smith & Co., & McDonnell, Ltd.

per H. W. Bassett, General Manager.

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I hereby accept the terms of this letter and agree to commence work without unnecessary delay and carry same through to completion.

Witness:

Thos. Wither.

C. E. McDonald.

Q. For some time you made an effort to do this excavation yourself?—A. Yes, I had a dredge on there for some time.

Q. With what success did you meet?—A. I took off considerable of the top.

Q. Of the soft material?—A. Yes.

Q. When it came to the hard material what was your experience?—A. I could not dredge it.

Q. Then you entered into a contract with McFee, Henry and McDonald?—A. Yes.

Q. That contract is already in and is dated the 13th day of July, A.D. 1915?—A. Yes.

Q. There were some negotiations preliminary to this contract and there was a letter written?—A. Yes.

Q. I notice in this contract that has been put in there have been some inter-lineations in lead pencil, do you know in whose handwriting those are?—A. Well, I could not swear whose handwriting it is, but I did not know of it being there.

Q. I understand they are initialled by Mr. Mallory, however, that is not material, you did not know of those being in there?—A. No.

Q. Were they in there at the time the contract was executed?—A. I do not think so.

Q. This contract was left in your office and Mallory had access to it?—A. Yes.

Q. Had anybody else access to it?—A. Not that I know of, we were the only two that had the combination of the vault.

Q. You did not put them in, did you?—A. No.

Q. Did you authorize them to be put in?—A. No.

Mr. PRINGLE, K.C.: The Contract reads as follows (reads):

Agreement made this day of July, A.D. 1915.

Between:

McFee, Henry & McDonald, Limited, a company incorporated under the Companies Act of the Province of British Columbia, having its registered office in the City of Vancouver, British Columbia, hereinafter called

The Party of the First Part

And

C. E. McDonald, of the City of Victoria, in the Province of British Columbia, hereinafter called

The Party of the Second Part.

Whereas, Messrs. Grant, Smith and McDonald have entered into a contract with the Government of the Dominion of Canada as to the improving of the Victoria Harbour, Vancouver Island, British Columbia.

And Whereas, Messrs. Grant, Smith & McDonald have sublet part of the said contract to the said party of the second part, which provides for the removal of earth and rock.

And Whereas, the party of the second part has agreed with the party of the first part to do all the drilling and shooting of rock necessary to be done

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in the Victoria Harbour, so as to fulfil his contract entered into with Messrs. Grant, Smith & McDonald.

And Whereas, the party of the first part has agreed to do the necessary drilling and shooting of rock, subject to the terms and conditions hereinafter specified.

Now Therefore it is agreed upon between the parties hereto as follows:—

The party of the first part agrees to do all the drilling and shooting of rock which the party of the second part finds it necessary to have done under contract entered into by him with Messrs. Grant, Smith & Company as to improvements and dredging to be done in Victoria Harbour, Vancouver Island, British Columbia, the rock yardage as estimated, given by Government Engineer, said rock to be broken in such a manner that it can be handled by a four-yard dipper dredge, it being understood that the party of the first part is to furnish all labour and equipment for the doing of the said work, and it being further understood that the party of the first part is not to be obliged under this contract to remove the rock after drilling and shooting as afore-said.

The party of the second part, covenants, promises and agrees to pay to the party of the first part the sum of \$4 per cubic yard for drilling and shooting rock. Payment to be made to the party of the first part about the 25th day of each month, when payment has been made by the Government. During the continuance of this contract for the number of cubic yards drilled and shot in the preceding month, the certificate of the engineer in charge of the work as to the number of cubic yards of rock drilled and shot to be accepted by the parties hereto.

PROVIDED THAT, if for any cause the work is shut down so as to interfere with the completion of this contract by the party of the first part for a period of sixty (60) days the latter may at its option give notice in writing terminating this contract, and from the date of said notice, this contract shall be null and void and payment shall be made at the rate herein provided for all work done forthwith.

AND IT IS HEREBY DECLARED AND AGREED that these presents and everything therein contained shall respectfully enure to the benefit of and be binding upon the parties hereto and their heirs, executors, administrators and assigns of the party of the second part and the successors and assigns of the party of the first part.

IN WITNESS WHEREOF, the party hereto of the first part has affixed its corporate seal in the presence of the officers thereof authorized and the party hereto of the second part has affixed his hand and seal.

Signed, Sealed and Delivered }

In the presence of }

The party of the first part promises and agrees to deduct an hospital fee of one dollar per month from each, and every man carried on the pay-rolls of the party of the first part during the life of this agreement.

Signed, Sealed and Delivered } MCFEE, HENRY & McDONALD, LTD.

In the presence of }

LOUIS R. DEWEY. }

J. G. McGEE,

Director.

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Mr. PRINGLE: I do not think the interlineations have any bearing.

Mr. CARVELL: No doubt they were put in by Mallory, because they are initialled by him.

Mr. PRINGLE, K.C.: Yes.

Mr. CARVELL: I do not think there is any necessity to examine this witness as to what he did, because they were put in by Mr. Mallory.

*By Mr. Pringle, K.C.:*

Q. You also entered into a contract with the Pacific Dredging Company of Vancouver?—A. Yes.

Mr. PRINGLE, K.C.: Dated 16th August, 1915, reading as follows:—

AN AGREEMENT made this sixteenth day of August, one thousand nine hundred and fifteen.

Between

PACIFIC DREDGING COMPANY, LIMITED, OF VANCOUVER, B.C.

and

C. E. McDONALD, OF VICTORIA, B. C.

That the undersigned parties hereby covenant, promise and agree with each other as follows:—

The Pacific Dredging Company, Limited, shall at their expense provide for all labour, Superintendent's services, tools, implements, machinery, fuel, materials and things necessary for the due execution and completion of the dredging of 60,000 yards more or less on the Government Contract being executed by Grant, Smith & Macdonnell, Limited, referred to in the plans or drawings prepared and to be prepared for the purpose of dredging provided for in the said work and shall forthwith commence said work of dredging and diligently prosecute said work to completion with Dredge known as Dredge *Puget Sound* of the Pacific Dredging Company, Limited, the same subject to delays for breakdowns and repairs.

C. E. McDonald to furnish the Drill Scow equipped with Sullivan Submarine Drills and to work said Drills double shifts, subject to delays for breakdowns and repairs, and is to drill to the depth and blast as they would do if they were doing the dredging under said contract. If however, rock material is left unbroken after such drillings and blasting and the dredging to follow thereon, then C. E. McDonald is repeatedly to drill and blast so as to break the rock sufficiently for dredging to the depth required under said contract and the Pacific Dredging Company, Limited, is to carry on said dredging after such drilling and blasting.

C. E. McDonald is to pay the Pacific Dredging Company, Limited, for the said work on yardage basis, of \$1.05 per cubic yard for solid rock and 25 cents per cubic yard for earth. Payments to be made to the Pacific Dredging Company, Limited, by C. E. McDonald before the end of the month following for work done the preceding month. The final payment for this work to be made to the Pacific Dredging Company, Limited, by C. E. McDonald when final Progress Estimate is due and paid.

The employees of the Pacific Dredging Company, Limited, are protected by Employers Liability Insurance which also protects the employees of the Pacific Dredging Company, Limited, with regard to medical fees.

It is agreed between the undersigned that at all times the Pacific Dredging

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Company, Limited, will not be expected to dump any material in less than twelve feet of water clear.

It is further agreed between the undersigned that the rock shall be so broken ahead of the dredging that it will not require the said dredge to move away from this work and return again i.e., continuous dredging is to be given to the dredge until the whole work is completed. In the event of the dredge having to move off the work caused by the lack of material as specified above the Pacific Dredging Company, Limited, shall then be paid in full for yardage moved to that date.

IN WITNESS WHEREOF the parties have executed this agreement.

Signed, Sealed and delivered	}	C. E. McDONALD.
In the presence of		Pacific Dredging Company, Ltd.
W. A. GILLEES.	}	STUART CAMERON, Managing Director.

Q. This contract is dated 16th August, 1915?—A. Yes.

Q. And they were to do the dredging with their dredge known as the *Puget Sound*?—A. Yes.

Q. You were to furnish the drill scow and do the drilling and blasting?—A. Yes.

Q. And they were to remove the hard material and rock?—A. Yes.

Q. And they were to be paid how much?—A. I think it was \$1.05 for rock.

Q. \$1.05 per cubic yard for solid rock and 25 cents for earth?—A. Yes.

Q. You were paying McFee, Henry and Macdonnell \$4 for the drilling and blasting of the hard material?—A. Yes.

Q. And \$1.05 for the excavation of that material?—A. Yes.

Q. How long did you work yourself at this work before you found you were unable to remove this hard material and had to get the drills?—A. Well, I knew I had to drill it from the start, of course, but I think it was some time in August that I gave up trying to dredge it without blasting.

Q. Now, then, after the Pacific Dredging Company brought on their dredge, the *Puget Sound*, was there an effort made to dredge this hard material?—A. Yes.

Q. Did you personally see the *Puget Sound* make an effort to dredge this hard material?—A. Yes, sir.

Q. And were they able to drill this hard material?—A. No, sir.

Q. They were not able to dredge it?—A. No.

Q. Is the *Puget Sound* an ordinary dredge? Is it one of the best on the Pacific coast?—A. It is one of the best on the Pacific coast; it is the strongest dredge we have got out there, the most powerful dredge.

Q. You and Mallory may not agree on other things, but you do agree on that, that the *Puget Sound* is one of the strongest dredges they have got on the Pacific coast?—A. Yes.

Q. And were there repeated efforts to remove the hard material with the *Puget Sound*, or was it only done on one or two occasions?—A. They tried on many occasions.

Q. And you found you could not cope with this material?—A. No.

Q. Then the procedure that was followed when you found you could not remove this hard material with the *Puget Sound* was to have a drill?—A. Yes.

Q. And the McFee, Henry and McDonald firm did the dredging?—A. Yes.

Q. You were satisfied, Mr. McDonald, at least that that should be classified as rock—that material?—A. Certainly, anything we could not dredge.

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Q. Now, then, you employed a young man named Mallory?—A. Yes.

Q. In what position was M. Mallory employed?—A. He was suppose to do the bookkeeping and keep track—

Q. I understand that for some little time prior to his going in your employ you had been friendly with him and assisted him in a financial way?—A. Yes.

Q. And then you brought him into your employ, and when did he commence working for you?—A. I think he commenced in May; I am not quite certain, but I employed him—

Q. I suppose he did not tell you that almost the moment he commenced he was keeping a diary, watching all your movements?—A. No, sir.

Q. Now, there has been a great deal said by Mr. Mallory, all of which I do not think I will detain this Committee by going over, but let me ask you in a general way, did you ever give a dollar in any shape, manner or form to engineer Maclachlan?—A. No.

Q. Not one dollar?—A. Not a dollar.

Q. Was there any collusion between you and the engineer, Maclachlan?—A. No, sir.

Q. Had you any partners in this business?—A. No, sir.

Q. You were absolutely alone?—A. Alone.

Q. Did you ever ask Mr. Mallory to in any way obtain from the engineer Maclachlan estimates that you were not entitled to?—A. No, sir.

Q. Was there any discussion along that line between you and Mr. Mallory?—A. No, not that I know of, there was certainly none.

Q. Now, there has been something said about your advancing \$2,000 to a man named Nelson?—A. Yes.

Q. I believe the receipt shows it was advanced on the 12th August?—A. I believe it was.

Q. How did you come to make that advance to Nelson?—A. He asked me for a favour and I gave it to him he had done many things for me, and I thought it was the least I could do.

Q. Nelson had nothing whatever to do with this work?—A. Nothing whatever.

Q. And you did advance him \$2,000, and took as security for that what?—A. His note.

Q. Anything else?—A. And, the receipt.

Mr. CARVELL: Do you think you strengthen your case any by producing the note here?

The CHAIRMAN: I should think it would very much.

Mr. PRINGLE: It is a matter of opinion. My opinion is that the transaction is absolutely bona fide. I do not know why Mr. McDonald should make a present to Mr. Nelson of \$2,000. I do not want to file the note, because we may have to collect it. I will put it in the record. It reads as follows (reads):—

\$2,000.

Vancouver, B. C., August 14th, 1915.

"On or before the 14th day of August, 1916, for value received, I promise to pay to the order of C. E. McDonald, at the Union Bank here, two thousand dollars, with interest at seven per cent per annum till due, and seven per cent per annum after maturity till paid, given as security for the above amount on my automobile, being a 1913 model, seven passenger Chalmers Six: the title, ownership and right of possession of said chattels, for which this note is given, shall remain in C. E. McDonald until this note, or any renewals thereof, together with all interest, is fully paid, and if default is made in the payment of this note, or any renewal or renewals thereof, or should C. E. McDonald deem this note, or such renewal or renewals, insecure (of which

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C. E. McDonald shall be the sole judge) C. E. McDonald shall have full power to declare this note, or any renewal or renewals thereof, due and payable at any time, and to immediately take and hold possession of said chattels, until such note, or renewal or renewals thereof are paid, or to sell said chattels by private or public sale, and to apply the net proceeds towards the payment of any such note or notes and interest and I hereby (as to this debt) waive all and any right to exemption from seizure and sale under execution, of any lands or goods.

Signed J. L. Nelson, 1225 Avenue West.

Q. What was the value of the Chalmers car?—A. It was a second-hand car; I think the car was probably worth, when new, between \$4,000 and \$5,000. I am not sure, but that is approximate.

Q. It was a second-hand car and probably would not be worth that amount?—A. No.

Q. Had Nelson anything to do with the employment of Mallory?—A. No, sir.

Q. Was he ever consulted as to whether Mallory would be acceptable or not?—A. No, sir.

Q. Mallory says that he was, that Nelson consulted as to whether he would be acceptable; you say you never did consult Nelson?—A. I certainly did not.

Q. When did you and Mallory first have any disagreement of any sort?—A. On the 15th October.

Q. Will you tell us what occurred on the 15th of October?—A. On the 15th day of October I returned from Vancouver, and when I came into the office in the morning he told me he had been studying the matter over for quite a while, and that he thought he was entitled to a quarter interest in profits, if any, on the contract, the contract I had from Grant, Smith and Macdonnell, and he said: "I think I am responsible for getting classification that pulled you out of the hole".

Q. He thought he was getting classification that pulled you out of the hole?—A. And for that reason he thought it was nothing but right he should have an interest.

Q. What did you say to that?—A. Well, I did not say much of anything just then as an answer. I just waited to see what was up. This was news to me, and I made a memo. of the conversation that happened there immediately upon our parting, and I only had one copy of it, and I gave it to you.

Q. Do you require it to refresh your memory?—A. It would do a great deal to refresh my memory; that is the words that were used in this conversation.

Q. Look at your memorandum to refresh your memory, if you require it?—A. Yes.

Mr. CARVELL: Let me see it, please.

(Memorandum handed to Mr. Carvell.)

Mr. PRINGLE: I have no right to put it in. I can only let him look at it for the purpose of refreshing his memory.

Mr. CARVELL: I have no objection to it being put in.

Mr. PRINGLE: I think we may as well adhere to the rules of evidence.

Mr. CARVELL: I should like to have it put in.

Mr. PRINGLE: It is not admissible, except for the purpose of refreshing his memory.

Q. Having referred to this memorandum, will you tell us what was said on the 15th October?—A. Well, when he made this proposition about the quarter interest, I answered him and said "I do not see how you can make such ridiculous propositions to me, after the way I have used you in the matter," and he answered me saying "It is purely a matter of business with me. I would do the same for you." "Now," he says, "If you don't want to give me this interest, it is immaterial to me, for I can

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make as much out of it the other way, by stopping the progress of your work; I can do it through the Liberal party, of which I am an official."

Q. So that he could make more out of it the other way, by stopping the progress of the work through the Liberal party?—A. He told me he could make as much out of it one way as the other; he says "It is immaterial to me."

Q. Immaterial to him?—A. He says "I will stop the progress of the work".

Mr. CARVELL: The Liberal party must have more money in Victoria than down here.

WITNESS: Those are the words he used to me.

Mr. PRINGLE, K.C.: He certainly succeeded in shutting down our work and gave us a lot trouble.

Q. How did he say he was an official of the Liberal organization? I did not understand that?—A. He told me he had been writing for the Liberal party for some time. He says "You did not know that, but I have been writing for the Liberal party for quite a long while".

Q. And what else did he say?—A. And he says "Through them and the Liberal party I can get anything published I wish".

Q. Did he start to write this thing up in the Liberal press?—A. It was in the press shortly after.

Q. Was there anything else said on that occasion?—A. That is the conversation in that memo.

Q. Was there anything else said on that occasion?—A. Yes, there was.

Q. How did you take this? Did you think it was a sort of blackmail?—A. I says "Mallory, that is blackmail, pure and simple;" and he says, "Oh, no, I have had advice on that; that ain't no blackmail."

Q. He had advice on it, it was no blackmail; he was down there well prepared?—A. Yes.

Q. Did he want to get your answer before the bank closed?—A. Yes, he says "Now, I want an answer before the bank closes".

Q. And your answer was what?—A. I did not answer him; I went out of the office.

Q. You were a little hot; your Scotch temper had got up?—A. Partly.

Q. I believe that you took the steamer to Vancouver?—A. I took the steamer that afternoon.

Q. You got some advice; I am not at liberty to go into what your advice was.

Mr. CARVELL: Go right into it.

Mr. PRINGLE: But, following your advice, you employed the Thiel Detective Agency, to look up Mr. Mallory's record?—A. Yes, I went to them about it.

Q. And, following that, certain affidavits were procured of certain stationmen on the Canadian Northern in regard to certain things that these men alleged that Mallory did. Then you came to Victoria on the 22nd October?—A. Yes, I came back on the 22nd.

Q. Now, Mallory tells a harrowing tale of what happened to him on that day, that he was roughly handled, and so on, and that his signature was procured to a statement which we have already had, in which he denied previous statements made by him; was there any rough handling of Mallory on that day?—A. Not a bit whatever, not as much as there has been going on here.

Q. Not as much as going on in the Public Accounts Committee?—A. No.

Q. These affidavits were read to Mr. Mallory?—A. Yes.

Q. What did he say when they were read?—A. They were in the next room to me; I was in the outer part of the office and they were in my private office; that is, he and one of those men at a time, and I could not hear exactly what was going on.

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Q. But did you hear any disturbance or any row between these gentlemen?—A. None whatever.

Q. And did Mallory sign this document in your presence?—A. Yes, he signed it in the outer office where I was.

Q. Did he make any objection to signing it?—A. Not that I noticed.

Q. Then after it was signed, did he get these affidavits of these Greeks, these stationmen?—A. The affidavits were torn up there by one of those men; I think it was—

Q. At whose request was it?—A. Mr. Mallory, I presume, or an agreement; I understood afterwards it was an agreement between them.

Q. Never mind what you understood; we want what occurred at the time. At any rate, these documents were torn up and peace prevailed?—A. Yes.

Q. Are you quite positive that there was no pressure, no coercion and no force used with Mr. Mallory?—A. I am perfectly positive, yes.

Q. Almost immediately after that you found your work closed down?—A. Well, shortly after that.

Q. Shortly after that Mr. Mallory at least succeeded in one of his threats, that he would close your work down through the Liberal party?—A. Yes.

Mr. CARVELL: What is that?

Mr. PRINGLE, K.C.: He succeeded in one of his threats, that he would close the works down under the Liberal party.

Mr. CARVELL: I think that is an unfair statement. He closed the work down through Barnard and Green, who would not be flattered if you told them they belonged to the Liberal party.

Mr. PRINGLE, K.C.: I will take it that way.

Q. At any rate, through Mallory's efforts the works were closed down?—A. Yes.

Q. And that has caused you injury and delay?—A. Yes.

Q. And the Pacific Dredging Company, owing to not being able to work, went off to Vancouver, and have not come back to work?—A. I had to pay \$7,000 for delaying them five days there.

Q. Do you mean that that company held you up for \$7,000 for that delay?—A. They me up for \$60 an hour for their plant.

Q. Mr. Mallory did pretty well; that is \$7,000 you lost owing to being tied up?—A. \$60 an hour for five days, I believe; I do not know what it amounted to; I think it was nearly \$7,000, maybe more; anyway, I had to give them an order on Grant, Smith & Company to get their money in order to hold them there; if I would not hold them there I would have to get new plants on.

Q. You did succeed in holding them there?—A. I held them there for five days at Mr. Valiquet's—well, Mr. Valiquet was there at the time, and he advised me that the work would be likely started in a few days and that I might try and hold the plant there.

Q. And, acting on his advice, you held the plant?—A. I made arrangements with the Pacific Dredging Company at \$60 an hour to wait until the thing was decided.

Q. You did get them to wait?—A. I got them to wait five days.

Q. After that were you able to go on and proceed with the work?—A. No.

Q. Why?—A. They went to work for a few days then, and there was something else come up, and they did not finish the work, so that they pulled out for Vancouver.

Q. And it will cost you considerable money to get the plant back there to finish the work?—A. I presume it will; I think it will cost me more than it is worth, more than I am getting out of it.

Q. You think it will cost you more than you are getting out of it?—A. It certainly will.

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Q. Your profit would have been the difference between the four dollars—we are talking of the rock—the \$1.05, and whatever your overhead expenses were, and the seven dollars?—A. Yes.

Q. Your profit would have been what, if everything had gone on well? 18 or 20 cents a yard?—A. Something about that.

Q. If everything had gone well?—A. Yes.

Q. Certain documents disappeared from your office?—A. Yes.

Q. Do you know when these disappeared?—A. Well, I could not say; I did not know they were gone until after Mr. Mallory left, although I had suspicion there was something probably would be wrong, and I was advised in Vancouver that I had better look up the bank and all the accounts and find out what this man had been doing all this time, and that was partly the reason I took the lawyer and detective over to Victoria to look up this matter.

Q. When you were held up on the 15th October in the way you were by Mr. Mallory, you thought it was about time to get busy and see what manner of man you were dealing with?—A. Well, he scared me.

*By Mr. Carvell:*

Q. Did you say you went to Vancouver the same day?—A. Yes, I think it was in the afternoon of that day.

*By Mr. Pringle, K.C.:*

Q. He has some entries of the 15th October, very voluminous entries, I should say. Let us see what he has to say about that occasion, and see how you agree on that (reads): "Mac arrived in town this A.M. from Vancouver; he wanted the auto early this morning. I did not get it, Maclachlan had it." Just in passing, I understand that you wanted to sell an automobile to Maclachlan?—A. Yes.

Q. But you were not able to sell it?—A. Well, I gave it to him on trial for three or four days, maybe a week. I was gone at the time. I told him he could try it while I was away. I was down to the Vancouver work.

Q. It did not prove satisfactory and he would not take it?—A. When I came back he said he did not want it.

Q. You have the automobile?—A. It was returned to the garage in the meantime.

Q. (Reads): "At 10 a.m. Maclachlan phoned me and wanted to know what was the matter with Mac. I said I had not seen him. At 10.30 I phoned Maclachlan asking for Mac, he said 'I was just talking to him and he will be up to the office in a few minutes'. Mac came in at 11.30, looking very worried and said very little and went out again." What were you worried about that morning?—A. I could not say.

Q. (Reads): "I saw him come out of the Royal Bank about 2 p.m. He came up to the office about 4 p.m., in the meantime I had phoned Nelson to find out what was the matter with Mac." He seems to have been very solicitous about you that morning, you were not ill?—A. No, not that I remember.

Q. (Reads): "He said he had a row last night, and I am through with him, at 4.15 p.m. Mac told me he and Nelson had a row and that Nelson was sore." That is dated Friday 15th October, the same day as Mr. McDonald referred to in his interview. "And Nelson was sore: he said 'Nelson wants me to give Cassidy one-quarter interest in the business, but I will be damned if he gets a cent.' I laughed at the idea, and then talked for a while and we went out. I believe Mac is getting ready to skip out." Had you any idea of skipping out about that time?—A. No.

Q. You are still there?—A. Yes.

Q. Why would you have wanted to skip out?—A. I have not any idea.

Q. "I met Mac —

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Mr. CARVELL: That is the next day.

Mr. PRINGLE, K.C.: Yes, that is all of the 15th.

Q. He says something about Cassidy wanting a quarter interest. Mallory never called himself Cassidy?—A. I do not know. I do not think so.

Q. It was Mr. Mallory that wanted a quarter interest, and tried to hold you up with a threat that if you did not give it to him he could make more by putting it in the hands of the Liberal party?—A. Yes.

Mr. CARVELL: We may as well have it now; who is Cassidy?

Mr. PRINGLE, K.C.: I do not know.

Mr. CARVELL: We may as well have it now; who is Cassidy?

WITNESS: I do not know the Cassidy he refers to, but there was a fellow named Cassidy working on the *John A. Lee*, employed by me when she first started.

*By Mr. Carvell:*

Q. Employed by whom?—A. Nelson.

Q. And you had some difficulty with Nelson because Cassidy was discharged?—A. No. I never did.

Q. You did discharge him?—A. No.

Q. You did not?—A. No, he left of his own accord. He had some disagreement with Mallory and he came to the office and called for his time.

*By Mr. Pringle, K.C.:*

Q. Cassidy was recommended by Nelson and you put him at work?—A. Well, he was foreman.

Q. He quarrelled with Mallory?—A. Yes.

Q. And left the work?—A. Yes.

Q. And you would not take him back?—A. No, he never asked me to come back.

Q. You did not ask him to come back?

Mr. CARVELL: He says that he would not come back, he never asked to come back.

*By Mr. Pringle, K.C.:*

Q. Cassidy left?—A. Yes.

Mr. CARVELL: Better let the witness give the evidence.

Mr. PRINGLE: Do not get worried, Mr. Carvell.

Q. You employed Cassidy on Nelson's recommendation?—A. Yes.

Q. And when he left you wrote a letter explaining to Nelson, or, at least, Mallory wrote a letter and you signed it?—A. I believe I did.

Q. That letter, I think, is on record and is in the exhibits: Mr. Mallory's letter, although signed by Mr. McDonald, is in the exhibits explaining why Cassidy left. It is not very important, but if Mr. Mallory wants it, it is there. You wanted to explain to Mr. Nelson why he was discharged or why he left; that is correct?—A. Yes.

Q. You did that on account of his having recommended him?—A. Yes.

Q. I think that is exhibit E. Now, there is a little document which has been put in here, I think it is exhibit B, which is that little memorandum about the estimate. Did you ever see this document? It seems to have been taken out of your office by Mr. Mallory?—A. I do not remember of ever seeing it.

Q. I suppose, anyway, that Mallory was attending to that business, and you do not even know whose handwriting it is?—A. I think this heading is in Mallory's writing; it looks very much like Mallory's writing.

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Q. Is the rest of it in Mallory's writing?—A. This part I can recognize as his writing; I should judge it was; this other I could not say; it is likely all his.

Q. That was a sort of statement of the position of your business at that time, what was required and so on?—A. Yes, I think so.

Q. It is admitted by all hands that the engineer did allow on the first estimate, and I understand it is the usual practice, really more than you were entitled to?—A. Well, I thought I was entitled to some rock on that first estimate, on account that we were hoisting boulders there; we were hoisting boulders off the surface, and anything that was in any way detached, we were hoisting that into the scows.

Q. I do not know whether it is material, but there was a substantial estimate allowed on the first estimate, and then Mr. MacLachlan explained to us that it was all evened up on the second estimate?—A. Yes.

Q. Now, then, there is another little document here marked exhibit A; do you know anything about that, whose handwriting that is in?—A. I should judge that was Mallory's.

Q. Is any portion of it your handwriting?—A. None whatever.

Q. Do you know anything about it?—A. No, I cannot make anything out of that, I do not know what is meant. I do not know anything about it.

Q. Mallory was attending to all your office work? And these documents you think are entirely in his handwriting?—A. Yes.

Q. Did you ever say to Mallory that you wanted so much cash, and to figure out quantities to give you so much cash, I think it was \$35,000? Did you ever have any conversation of that sort with Mallory?—A. I do not remember of having such a conversation with him, although on several occasions, when I would go into the office, I would tell him to figure out our expenses up to date, and he would be sitting down there doing nothing, and I would say to him "What is my expenses this month, or up to date;" and probably I would tell him to figure out what the quantities would amount to, and very often I would go into the office and find him not very busy, and I would ask him these questions, and tell him to leave a memorandum of it on the desk as he would be going out. He would be away very often when I would come in, especially when I would need him the worst.

Q. I suppose, like all contractors, you would want to get all you could on your estimates?—A. Yes, especially when I was in the hole; I wanted to get out of it if I could.

Q. Did you ever say to him you had to have \$30,000, or whatever the amount was, and for Mallory to fix it up?—A. No.

Q. You never said that?—A. No.

Q. Or any amount?—A. No, no amount.

Q. There is something in that document about allowing one foot, as I understand it, all over the work for earth; do you know anything about that?—A. What month was that in?

Q. I think that was in the month of July?—A. Well, I believe I made that remark to him, yes.

*By Mr. Carvell:*

Q. To whom?—A. To Mallory, to allow one foot all over the work for earth after I had gone over it with the *John Lee*; that is the dredge. I wanted to figure out what amount of rock it would leave, supposing we gave a foot of earth all over the surface as an estimate; I was trying those things, trying them out to see how they figured out.

*By Mr. Pringle K.C.:*

Q. Were you keeping in touch all the time with the work?—A. No.

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Q. Not all the time?—A. No. I had work in Vancouver I was working on, and I was attending to it personally.

Q. While you were away who was looking after the actual work?—A. Mr. Mallory, I suppose, Mallory was my man.

Q. The work was sublet?—A. After it was sublet—

Q. After it was sublet you really had simply the office to look after?—A. That is all.

Q. And to see that these people did their work according to their contract?—A. Yes.

Q. And Mr. Mallory was looking after that?—A. Yes. After I had it sublet I did not feel that it needed any superintending.

Q. I see you were examined before and you say this:

“Q. (Reads): What estimates were there that you did not give instructions for?—A. I do not think I gave instructions for any, except probable instructions that way, what to look for and what to expect in those estimates from the Government engineer; I might leave a note.”

That is page 4 of the examination for discovery—

“I might leave a note for Mallory what to expect; he was bookkeeper there, and what I thought probably at that time that there ought to be a foot left for earth at that time. That is in connection with the July estimate.”

“Q. So you gave instructions for the July estimate?—A. I certainly wrote that and left it probably on the desk”.

You say these estimates did not come to you; they went to Grant, Smith & Co.?—A. Yes.

Q. Did you have anything to do with the preparation as to the amount of the estimates?—A. No, nothing whatever.

Q. Who was responsible for these estimates?—A. The engineer in charge, Maclachlan.

Q. Now, then, so far as you were concerned, did Maclachlan ever give you a yard of rock that you were not entitled to?

Mr. CARVELL: Do not ask that question.

Mr. PRINGLE: In his opinion.

Mr. CARVELL: If you put it “In your opinion”, all right.

*By Mr. Pringle, K.C:*

Q. In your opinion did Maclachlan ever give you a yard of rock you were not entitled to?—A. No, I do not think he gave me what I was entitled to—not yet.

Q. You agree with Woolley, that you think his deductions were too large?—A. I think so.

Q. Now, then, there is another document that I would like to see. I do not think this one is marked as an exhibit. There was a document with Evans Coleman on the top; there was some document here that was referred to in which you say “Yes, that is all my writing”; this document here is your handwriting?—A. Yes.

Q. Exhibit 2 in the civil action, Mallory vs. McDonald?—A. That is my handwriting.

Q. Now look at this document exhibit 3 in the civil action and say how much of that is your handwriting?—A. That is all my handwriting except this top here.

Q. I want you to explain this; you say (reads) “Get estimate for July made up that will show at least 33½ per cent profit for the month, uncluding insurance, rentals, repairs, payrolls, automobile, notes, etc. There is \$3,500 to be paid on notes, money borrowed in Vancouver, contract with Henry McFee has to be attended to”: did you consider that you were entitled to that much money, that was covered by that document? Did you consider you were entitled to get that much?—A. Well, I wanted Mr.

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Mallory to figure it out, to see what it would figure up, how it would figure; that is all I wrote for.

*By Mr. Carvell:*

Q. To see how many yards of material at prices it would take to make the money?  
—A. Yes, to see how that would figure out.

*By Mr. Pringle, K.C.:*

Q. And the estimates, I understand did cover an amount sufficient to meet your requirements for that month?—A. For which month—August?

Q. I should say that was July?—A. No, I do not think they did. I think you will find I was in debt in July, pretty big too; that is, the work was behind.

Mr. CARVELL: There is a memo. on this that he got it from Maclachlan on the 31st July.

WITNESS: From McDonald, not from Maclachlan.

Mr. CARVELL: Got it from Mac.

*By Mr. Pringle K.C.:*

Q. You say the idea of your leaving that note was to see how that would compare with the estimates you were getting from the Government for the work done?—A. A. Well, I presume so; as I said before, when Mallory was there I always got him, if he was not busy, I always had him figuring up something. I suppose he was not in at the time I left that note.

*By Mr. Bennett:*

Q. He was not relying upon the diary then, was he?—A. I do not know; not while I was there.

*By Mr. Pringle, K.C.:*

Q. He did not keep that diary in your office that you know of?—A. I do not know; he might have done that, but I did not see it; he kept it away from me.

Q. You have already told us Nelson had no connection with you in this contract at all?—A. No.

Q. But you and Nelson had been on friendly terms?—A. That is all.

Q. And he had no supervision over you in connection with the contract?—A. Nothing whatever, had not a word to say about it.

Mr. CARVELL: Is that Nelson you are referring to?

Mr. PRINGLE, K.C.: Yes. I understand he did help you to get some of your equipment together?—A. Yes, he certainly did.

Q. Did you ever allow him anything for that?—A. Not yet. I only lent him that \$2,000; that is all I have done so far.

Q. He never helped to finance you?—A. Himself?

Q. Yes?—A. I think he lent me a few hundred dollars; that is, he paid bills in Vancouver that I owed for equipment to the amount of two or three hundred dollars, I am not sure, and sent his bill in to my office for payment.

Q. That money was repaid, was it?—A. Yes, it was repaid.

Q. There were some telegrams which have got in here from a man named Camsusu; I do not think it is necessary to go into that. You were trying to get Camsusu to assist you financially?—A. Camsusu volunteered to assist me financially if I would trade with his store and he fell down and he could not come through.

Q. You went in the hole pretty badly at the inception of the work?—A. Yes, I was pretty heavily in for a while; the first two months I was away in the hole.

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Q. As a matter of fact, you are not completely out of the hole yet?—A. Well, counting everything, I do not think I am.

Mr. CARVELL: Don't you think this man had better produce his books to prove the condition he is in.

Mr. PRINGLE, K.C.: Mallory did not bring the books.

Mr. CARVELL: No.

Mr. PRINGLE, K.C.: Very convenient.

Mr. CARVELL: No necessity for by-play. Mr. Pringle knows this is not proper evidence.

The CHAIRMAN: The other day we forced a man to give his best recollection of what he paid without his books. This man would have a right to do that.

Mr. CARVELL: He comes here as a principal, and he should produce his books, and we will then be in a position to get the very best evidence.

Mr. PRINGLE: I do not know that I will follow that up; I do not think it is very material. You and I do not agree on the book question. I rather think the view taken by Sir John Thompson in the McGreevy case was the correct one, that the internal management of a company had nothing whatever to do with the investigation. We are investigating here simply the classification. We are not investigating into this firm's books, or other firms' books, but McFee Henry very generously said they would produce anything, although I do not feel they are at all bound to produce them.

Mr. CARVELL: I have always found the original book is the valuable document, when it comes to deciding a case in court.

Mr. PRINGLE, K.C.: I was representing the Canadian Dredgers in the investigation into the Canadian Dredging Company. I do not know whether they were friends of the honourable gentleman's or not, but the honourable gentleman stood by me very solidly against the inspection of those books.

Mr. CARVELL: I do not know who the gentleman is referring to. I have not the faintest knowledge who that company is.

Mr. BENNETT (Simcoe): Do you know F. W. Grant, of Midland?

Mr. CARVELL: Yes.

Mr. BENNETT (Simcoe): Do you mean to say you did not hear the investigation in the buildings about that concern two or three years ago?

Mr. CARVELL: I remember a great many years ago the Grant Company being before the Committee. If that is the company I have some recollection of it.

Mr. PRINGLE, K.C.: I might just state the position in that case. Mr. Bennett was bound to go into our books, and I was bound he should not, because I did not think the internal management of that company had anything to do with the question that was before the Committee.

Mr. CARVELL: Did he succeed?

Mr. PRINGLE, K.C.: No. W. M. German put up a very vigorous fight, and the Chairman relied very much on the rulings in the McGreevy case. In that case they refused to consider their books open to the Committee, and it went to the House of Commons. The House decided the only course would be to have a sub-committee to investigate those books and if there was anything in them pertinent to the investigation, then that could be brought out and nothing else; but they would not allow the Committee at random to go into the company's books.

The CHAIRMAN: You do not need to go that far back. We were investigating the account of the Ottawa Electric Light Company for supplying the electricity to the House of Commons, and we contended we had a right to bring them there and see

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what they were paying another company for the electricity, and Mr. Pugsley held, and it is on record, that we had no right to ascertain what the man furnishing the article paid for it; that the only question was, what was a reasonable price?

Mr. PRINGLE, K.C.: I think Mr. Pugsley was right.

The CHAIRMAN: I do not think he was in that case. We got a man who testified as to what the proper price was, and the contract was cancelled.

Mr. PRINGLE, K.C.: Here you are investigating the question whether the classification is right or wrong. The principle is laid down that a committee cannot go into the internal management of that company. If they could, any evil-disposed person in the Committee could get all the information they required from the books of a private corporation. That is the principle that has been adopted, and my honourable friends on the other side were very strenuous in upholding that position. However, it is not material, as I have volunteered to bring the books here for the inspection of Mr. Carvell, although I feel we are not bound to do it.

Mr. CARVELL: Are you referring to the books of McDonald?

Mr. PRINGLE, K.C.: No, I am not going to ask for them. I do not know whether he has them.

Q. Have you any books?—A. I have everything that is left; I have brought the whole office down here.

Mr. PRINGLE, K.C.: We will look it up and bring them down this afternoon.

Q. You have everything Mallory left?—A. Yes.

Mr. PRINGLE, K.C.: We will look them over, we do not want to hide anything.

Q. Referring to Camusu, as you very aptly expressed it, he spoofed you?—A. Yes.

Q. He did not come in with the financial assistance?—A. No.

Q. And you were up against the hard times until you got the work well under way?—A. Yes.

Q. In order to carry on your work you had to borrow considerable money?—A. Yes, I borrowed money in Vancouver on several occasions.

Q. You borrowed \$2,000 from Weekes?—A. Yes, and borrowed \$3,000 from the bank in Victoria.

Q. And as you say, at the inception of your work, it was all outlay and nothing coming in?—A. That is right.

Q. And the first substantial money you got was on your June estimates?—A. Yes, I got that along in July.

Q. I think that was about \$30,000?—A. No, I do not think so, I do not remember exactly the estimate, I do not think it was that much.

Q. You say Mr. Valiquet, when he was out there, tested out this material with the *Puget Sound*?—A. Yes.

Q. Were you personally present?—A. I was aboard.

Q. Was that the same class of material that MacLachlan has allowed as rock?—A. Yes.

Q. Your are positive of that?—A. Yes, it is the same class.

Q. And the *Puget Sound* was unable to move it?—A. Yes, the *Puget Sound* nor no other dredge could move it, not without shooting. Part of the ground that Mr. Valiquet went over with the dredge had all been shattered; the whole of it had been put from three to six feet below grade; that is what we always put them down, an average of four feet below grade, in order to avoid having pinacles left; we go down that deep, and it shatters the ground for several feet below in some heavy shooting and also the banks on each side, and he was testing in these shattered places, which would probably show soft material, and it is pretty hard to test ground after it is all shot up that way and tell the original material.

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Q. Even then could the *Puget Sound* remove it?—A. She could not remove a dipperful in probably twenty trials.

Q. Did this material that was blasted come up in large blocks, or did it disintegrate pretty well?—A. There was some of that material would kind of dissolve in the salt water after blasting in chunks, but a good deal of it broke up in pieces the size of this small table, and sometimes it would not go through the dipper, the big dipper, I think it was a four-yard dipper; we usually bulldozed them in the bottom with divers.

Q. What is that?—A. Those big chunks; we usually have to bulldoze; the divers have to do that.

*By Mr. Bennett (Simcoe):*

Q. I am reading now from Mallory's meditations (reads): "I am thoroughly convinced that McDonald is drawing out the bank account and going to skip, and as MacLachlan has never phoned me since yesterday morning, I am sure he will go with Mac." Did you on the 15th plan with MacLachlan to leave the country?—A. No, indeed, that is absurd.

Q. And that is about as absurd as the other things in the meditation?—A. What is that?

Q. That is an absurd statement or meditation on his part? —A. Yes.

Q. That is what he was guessing?—A. Yes.

*By the Chairman:*

Q. What was Mallory doing when you engaged him first?—A. He was not doing anything; he claimed he was not doing anything; I do not know.

Q. Had he been working on the job in some way as an ordinary labourer?—A. I do not think so, not on my work.

Q. Had he been working round the harbour as an ordinary labourer?—A. I do not think so.

Q. Did you know anything about him before you hired him?—A. No, nothing, only he would come to me every week or two, to inquire for work, for a job, and to get money, borrowing money.

Q. Borrowing money?—A. Yes.

Q. Did he want to borrow money from you before he came into your employ?—A. Oh, he had been borrowing money for quite a while, a year I guess.

Q. Before he came into your employ?—A. Yes.

Q. How much?—A. I would give him all the way from five to twenty or twenty-five to keep his family.

Q. Why did you do that?—A. Because he claimed he did not have any money, and I knew his family.

Q. You knew his family?—A. I knew his wife, and did not want to see them short if I could help it.

Q. When he came to your employ what was the arrangement?—A. I do not know whether there was any arrangement.

Q. What was the bargain?—A. He was to get \$125 a month.

Q. Was he to get an increase?—A. There was nothing spoken of. His pay started a month before I had got any plant on the ground, or even opened an office. I did not open an office till a month after I employed him.

Q. He says you agreed to pay him \$125 the first month and \$150 the second month?—A. There was no such bargain.

Q. You are sure of that?—A. Perfectly sure of it.

Q. Did he ever ask you for any increase until he asked you for the quarter interest?—A. No, never mentioned it until he asked me for the quarter interest. He never asked for wages then.

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Q. He says he asked you month by month and you kept putting him off?—A. He never did.

Q. Are you sure of that?—A. Perfectly sure.

Q. And the first time you knew he was not satisfied was when he asked you for the quarter interest?—A. Yes.

Mr. CARVELL: There is no evidence Mallory asked for anything down to the month of October.

The CHAIRMAN: Oh, yes, he said he put him off every month. Referring to the evidence, it shows he had been asking for money.

*By Mr. Bennett (Simcoe):*

Q. You never saw this book before, this diary?—A. No, I do not think I did.

*By the Chairman:*

Q. Who drew the promissory note for \$2,000?—A. I could not say; but Nelson, when I gave him the money, he gave me a receipt, and he said he would make a note out over in Vancouver, and he would have it ready when I would come over.

Q. It is typewritten?—A. I do not know who did it.

Q. Did you ever own the automobile mentioned in the lien note?—A. The Chalmers?

Q. Yes?—A. Yes.

Q. You owned that?—A. I traded it for another one.

Q. That was your automobile and you had given it to him?—A. It was a bigger machine, and I did not need as big a machine as that; his was a little smaller and burned less.

Q. You took one of his in exchange?—A. I traded out and out.

Q. Traded out and out?—A. Yes.

Q. With Nelson?—A. Yes.

Q. An even trade?—A. Yes.

Q. Was the trade made the same time the note was given?—A. No, long before that; it must have been.

Mr. CARVELL: You are running up against the real thing, now, Mr Chairman.

The CHAIRMAN: I am trying to get at the facts. In our province a lien note is no good, unless it is on something that has been sold. Was it a lawyer drew the note?—A. I do not know: the note was prepared when I got to Vancouver.

Q. You say it was a long while before the note was given that you made the change of automobile?—A. Well, it must have been quite a while, I do not know exactly how long. I think we made the change of automobiles in July.

Q. What was the make of the automobile you got from Nelson?—A. It was a Russell.

Q. Russell Fitch or Ford?—A. Ford.

Q. What is the value of that?—A. I do not know, but I understood it was something like \$3,000; it was a 1914.

Q. And what is the value of the Chalmers?—A. I think they cost \$3,500, maybe more.

Q. How old was your machine?—A. I think it was 1914.

Q. And how old was his machine?—A. I think it was 1914 or 1915; 1914 I guess.

*By Mr. Carvell:*

Q. The note says 1913?—A. I would not be sure.

*By the Chairman:*

Q. You say this exchange of machines had nothing to do with the lien?—  
A. Nothing whatever.

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Q. You took a lien on his machine?—A. Yes.

The CHAIRMAN: A lien is no good, unless on property you are selling.

Mr. CARVELL: This note purports to be this transaction: that Mr. Macdonald sold an automobile to Nelson and retained the ownership in it as a lien for the payment of \$2,000; and that is not the facts at all.

The CHAIRMAN: A lawyer would know that was no good.

*By Mr. Carvell:*

Q. Is this whole thing not a fake?—A. No, it is not a fake with me.

Q. Tell me the name of the lawyer who drew that note?—A. I do not know that a lawyer drew it at all; I was not there the time the note was drawn; he told me when he gave me the receipt he would prepare a note and let me have it when I came over, and he did so.

Q. And he gives you a note purporting to give you a lien on an automobile, or purporting to allow you to retain a lien on an automobile which you did not own at the time?—A. I considered Nelson owned it.

Q. But you did not own it?—A. No.

Q. I can only say that, as a matter of law, your lien is no good?—A. Is not that note good?

Q. It is not worth anything as a lien; it is a promise to pay on the part of Nelson, but the lien is no good and never was any good?—A. That does not annul the other value of it.

Mr. CARVELL: That struck me as most remarkable and I asked to see it. How can a man retain a lien on something he does not own?

Mr. BENNETT (Simcoe): He can have a lien on it if he sells it subject to the lien.

Mr. CARVELL: But he retains the ownership. But in this case he says this pretended lien had nothing to do with the original transaction.

Mr. CROTHERS: It is a very common thing amongst laymen.

Mr. CARVELL: This is no ordinary layman, and we believe this transaction is not straight.

Mr. CROTHERS: On behalf of the Government, we are as anxious to have it exposed if there has been any wrongdoing in this matter as you are, and if there has been anything dishonest or crooked, we want to know.

Mr. CARVELL: It gives me very great pleasure to say that I have seen no indication on the part of the Government, or any member of it, to try to cover this up, not a particle, and I can go further than that and say that, privately, I have some knowledge of the opinion of the Minister of Public Works on the subject, and if I were allowed to state it publicly it would not be at all derogatory to the Minister.

The CHAIRMAN: If he had gone to a lawyer and taken the note there would have been something suspicious, but as between man and man, there is not anything suspicious about it.

Mr. CARVELL: You have your opinion and I have mine, and we will get the facts, and we can argue the rest later on.

*By Mr. Carvell:*

Q. From whom did you get this Chalmers automobile?—A. I got it from Tinley & Company in Victoria.

Q. When?—A. I do not remember exactly the date.

Q. What year?—A. 1915.

Q. How much did you pay for it?—A. Paid him \$1,000.

Q. And you traded this with Nelson for a Russell car?—A. Yes.

Q. Even; is that not right?—A. Even.

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Q. No boot given on either side?—A. No.

Q. And then you allege that in some way Nelson attempted to give you a lien upon this same car which you traded with him for \$2,000?—A. Yes, he gave me a note with a lien on the automobile.

Q. I am not going over all this story about what took place in your office on the 22nd nor the 15th, Mallory told his story and you told yours; it is for the committee to judge between you. You were examined in Victoria with reference to very much the same subject matter as is under discussion here?—A. Yes.

Q. And Mr. Pringle read from the record of your evidence on pages 4 and 5, I think. I want to refer you to that same evidence, but, before doing so, you stated this morning that on that occasion on the 15th October, when you say Mallory wanted a quarter interest in the business, he told you that if you did not give it to him he could get the same amount of money by giving the information to the Liberal party?—A. Yes.

Q. I am correct putting it in that way?—A. You are correct.

Q. I want to refer you to page 31 of the printed evidence, and Mr. Pringle can follow me: there was a number of questions, but I come down to question 295. Now, we come down to this occasion. (Reads.) "Will you tell me what took place that morning the three of you arrived" and so on—

Mr. PRINGLE, K.C.: That is the 22nd.

*By Mr. Carvell:*

Q. I will go back now: we will bring it down to the 22nd. Did you ever have any conversation about him wanting the quarter interest on the 22nd?—A. Any conversation later?

Q. Yes, the morning you came, with the detectives?—A. No, I do not think it; let me see; yes, we spoke, I think, that morning before those Vancouver men came into the office. I was in in the morning early; they did not come in till later.

Q. What did he say? The same thing?—A. Well, as I remember, I was asking him how much money I had lent him; I wanted to see; I intended to let him go, and I wanted to find out from him if I could how we stood financially, you understand. I had lent him money that I did not keep track of. I had given him this money in tens and twenties, and would not even mark it down in any book; when I would give him a cheque I would know by the cheques, but very often I would pay him out of money I had in my pocket; that is, I would hand it to him, and I never marked it in a book; I intended he should keep track of it, in fact I told him he would have to keep track of this money, that I could not be bothered with it, and he said he would, and I asked him that morning how we stood in regard to that borrowed money, and he said he had a memo of it at home, but he said it was something between \$100 and \$150, and of course I—

Q. Any talk about a quarter interest?—A. I do not remember of any talk about the quarter interest that morning, I cannot remember, but I was preparing to let him go that morning, at that time, and I probably asked him a few questions about the books, or something like that, but I do not remember going into the quarter interest that morning at all.

Q. Let me read you what you said. I read the question some time ago, 295, and here is the answer (reads): "Well, I went into the office about eight o'clock in the morning, I should judge about 8.30, and Mallory was there, and I asked him how much money I had lent him the summer before, if he knew, and he said he had a note as to it at home, and I asked him if he thought it was over \$150, and he said he thought it was over \$100, it might be over \$150." I discussed about wanting a quarter interest in the business and he told me he had to have it, or he would have this thing reported right away at Ottawa and have it stopped. He said he had friends here who would

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go at it right away and take it up with Mr. Barnard, and Mr. Barnard would have to stop the work, to telegraph to Ottawa." Do you remember any such talk as that?—A. I believe that is right. I did not remember it when you spoke to me, but when you rehearse it, my memory—

Q. Anything said about going to the Liberal party that morning, according to this evidence?

Mr. PRINGLE, K.C.: That is the 22nd.

Mr. CARVELL: We will bring him round. Is there anything in that evidence on the 22nd about going to the Liberal party about this thing?—A. Certainly there is.

Q. Where?—A. On the 22nd?

Q. Yes?—A. I thought you meant the 15th.

Q. No, the 22nd?—A. I do not know.

Q. On the 22nd he said he was going to Barnard, made that as a threat; that is right?—A. I believe that is right.

Q. You swore to it in Victoria?—A. If I swore to it in Victoria it must be right, because it was only a short time before.

The CHAIRMAN: He said he had friends who would take it up.

Mr. CARVELL: He said he had friends who would go at it right away and take it up with Mr. Barnard—

Mr. PRINGLE, K.C.: Better finish 295. He says "So at this juncture—"

Mr. CARVELL: "I did not want to stop the work"—this is what Mallory said—"if I could hold it—"

Mr. PRINGLE, K.C.: This is what McDonald said.

Mr. CARVELL: He said (reads): "I did not want to stop the work if I could hold it at the present time; so he says: 'Well, you can give me a quarter interest, and that will be worth the bother and you will have money ahead;' so at this juncture these two men came in, and they asked him into the back room, one of them did, and he came out, and the other fellow went in the back room, and they had a talk, and they both came out, and Mallory asked me to go in the back room, and I went in, and he says "What do you want with me?" And I says "What are you trying to do to me? Are you trying to blackmail me into giving you a quarter interest?" And I says "Nothing doing;" I said "I will have this thing threshed out." I said "Go ahead," and I walked out, and he came out and signed this paper, four of us in the room together." When did you make out this memorandum which you have referred to here, although it is not in evidence?—A. On the 15th.

Q. On the very day it happened?—A. Yes.

Q. Where?—A. In my room at the house.

Q. Although it is on your official paper?—A. I have lots of official paper in my room.

Q. You say you made this out on the day it happened (reads): "Now, I want one quarter interest in the contract, and I think I am entitled to it, and, furthermore, if you don't give it to me, and let me know before the bank closes, I am going to make trouble between you and the Government. I have everything fixed, and got a man high up in Government affairs to take hold of it for me." Did he say that?—A. That is what I understood from him.

Q. That is what you have written down, that he would get a man high up in Government affairs to take hold of it for him. Was there anything in that about any Liberal paying him money for it? (No answer).

Q. (Reads): "I will have it published in the Liberal papers as another scandal on the Conservative party. I have been doing a lot of writing for the Evening Times, and I am also an official and member of the Liberal Association: in this way I can get anything published." Anything there that he said he could get money out of the

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Liberal party that would amount to one quarter interest? Anything said in that record that he could get a quarter interest, or what would amount to a one-quarter interest, out of the Liberal party?—A. All the conversation we had that day is not written here, only just part of it.

Q. You bring here a document, and the document does not give what it purports to give?—A. Not in that.

Q. You want the committee to believe you when you say that man said he could get money out of the Liberal party by handing it over to them?—A. I certainly do.

Q. Why did you not tell the truth on the paper?—A. The truth is there.

Q. Why did you not put it down on the paper?—A. The truth is there, and every word of it.

Q. And there is not a word there about getting money from the Liberal party—not a word?—A. There is a lot of conversation—

Q. Show it to me in that document?—A. There is a lot of stuff—

Q. Show me where there is a word about getting money from the Liberal party? You cannot come here and trifle with the Committee like this. Why did you not say something about getting money from the Liberal party in Victoria when you were examined? Can you find it in this record?—A. Nevertheless it is a fact.

Q. You have a right to swear to it, and we have a right to believe it if we want to?

The CHAIRMAN: Is it true he is a member of the Liberal Association?

Mr. CARVELL: It is true he is a member of some club. He will be on the stand and give his evidence.

Mr. BLAIN: Do you say he did not contribute anything to the Liberal party?

Mr. CARVELL: I am going to put him on oath and you can examine him. Mr. Mallory's record, I think, will stand pretty well against other people.

Mr. BENNETT (Simcoe): Can we believe what is in that book?

Mr. CARVELL: You can believe it or not, if you like.

Mr. BENNETT (Simcoe): No judge would ever listen to it.

Mr. CARVELL: It is a good thing you are not the judge. A member of the bar with the long experience which the hon. member for Simcoe has, sitting here and throwing out nasty insinuations against a man who is giving evidence, is not right.

Mr. BENNETT (Simcoe): Every time I make a statement, I will repeat it outside, and he can have his remedy in the courts.

*By Mr. Carvell:*

Q. Then you did not state in Victoria that Mallory told you he could get money from the Liberal party?—A. I don't know whether I did or not.

Q. You have no recollection of saying so?—A. I do not remember.

Q. Will you please take this pencil and write the word "copy" on that piece of paper for me?

(Witness writes on paper).

Q. How many p's are there in copy?—A. I put two in there.

Q. That is wrong, is it not?—A. Yes, I believe it is.

*By the Chairman:*

Q. Do you always write it with two p's?—A. I do not know. I put two in it that time. I guess that was a mistake.

*By Mr. Carvell:*

Q. You told Mr. Pringle that you did on some occasion ask Mallory to figure out for you the amount of your outlay, did you not?—A. Yes, sir.

Q. And in fact there is a document here in evidence which you say is your writing, telling him to get estimates for July made up that will show at least 33½ per

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cent profit for the month, including insurance, rentals, repairs, pay rolls, automobiles, notes, etc. There is \$3,500 to be paid in notes, money borrowed in Vancouver, and then there is something about the contract with Henry McFee: and do you believe that Mallory did make up a statement showing what those amounts would be?—A. Well, I do not know: I presume he would try and make it up, yes.

Q. You believe that?—A. Yes; at least, he should.

Q. You say sometimes he gave it to you, or sometimes left it on your desk or round the office for you. Do you remember of taking any of those statements from Maclachlan?—A. No, I did not.

Q. Would you like to swear you did not?—A. Yes, I would like to swear I did not, that I remember of.

Q. Did you ever tell Mallory to take any of those statements from Maclachlan?—A. I might have asked him to compare these things with the estimates we had received.

Q. Did you ever ask him to do anything towards comparing before the estimate was made out?—A. I do not think I would have a chance.

Q. You do not think that the engineer and the contractors would do any conferring before the estimate was made out?—A. Nothing more than giving their expense account.

Q. Nothing more than what?—A. Nothing more than they might give their expenses, or something of that kind, if the engineer asked for it.

Q. Did you at any time give Maclachlan your expenses for the month?—A. No, I do not remember of ever giving them to Maclachlan. I gave it to Grant Smith.

Q. My recollection of the evidence is that Maclachlan says that it was your custom for contractors and engineers to confer before the estimate was made out; what do you say to that?—A. I suppose it is customary.

Q. Now, if it is customary would it not be reasonable that Mallory would take this data to Maclachlan?—A. He might have done it.

Q. Don't you remember he did? Did you not instruct him to do so?—A. I probably asked him to compare notes if he could.

Q. That is coming a good deal nearer to it, that you asked him to compare notes if he could. I want you to take this note that is produced here marked A, and just look at that and say—I think you said you could not understand what it meant. I will give it to you. (Reads) Solid rock C. E. McDonald 3,000, and the Puget Sound has 7,000; total for August 10,000; solid rock 50 per cent, 5,105; that, I think, means something that has been blasted and not removed; and "earth 2,000." It is a fact that, with the exception of 1,600 yards of rock blasted and not removed, which was not deducted, that that is an exact copy of the August estimate?—A. I could not tell you.

Q. I am telling you it is a fact; that has been proven here, with the exception of 1,600 yards that have not been deducted from the rock blasted and not removed, that is an exact copy of the August estimate. You asked Mr. Mallory to make that up and take it to Mr. Maclachlan for the purpose of making comparisons?—A. This is what is referred to here, is it?

Q. No, this, I think, refers to July and this other memo refers to August?—A. Yes.

Q. I am telling you now, as a fact, that these are the exact quantities, with that one exception. I am asking you now if you don't believe you told Mallory to prepare that and take it to Maclachlan?—A. Well, I do not know that I would ask him to take it to Maclachlan.

Q. Then you do think you asked him to prepare it?—A. I am satisfied probably I asked him to prepare it, because every time I found him idle I would ask him to prepare something.

Q. You do believe you asked him to prepare that as the August estimate or the August work?—A. Oh, it is very likely; I do not remember of doing it.

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Q. If you did not ask him to take that to Maclachlan, is it not a wonderful coincidence that in a work involving 17,000 yards of material that they agree right to a yard? It is a wonderful thing, mind acting upon mind?—A. Such coincidences might happen.

Q. I want to put it to you now as a reasonable man; Mallory says that you told him to prepare that?—A. I told him to prepare it?

Q. Mallory says you told him to prepare it and to take it to Maclachlan, and Maclachlan says that he never saw such a thing, and you say such coincidences might happen. Which do you believe is telling the truth?—A. I believe I am telling the truth myself; I am trying to, at least, unless you mix me up.

Q. I am not trying to mix you up; I am trying to get the truth, and I think we are doing pretty well, and I want to congratulate you. I think you have told the truth about this document, but I am sorry to say that it does not entirely reflect credit on a former witness, and there are two of them, and I leave it to you to judge upon which one the reflection is made. I think you are telling the truth on that point. Now, did you ever have anything to do with attempting to induce Maclachlan to make out a good estimate for you?—A. None whatever.

Q. You are only just an ordinary human being, and I do not know that I have ever seen a contractor yet who did not want to get just as big an estimate as he could get, and I do not know as it is anything particularly objectionable in you if you tried to get as good an estimate as you could, because it is the custom of the business: I can assure you of that. Don't you think, as a contractor, you have many times intervened to get the engineer to give you as good an estimate as he could, and to give you as much rock as he could? That is a fair question, and I think you ought to answer it?—A. That I tried to influence the engineer to give me more rock than I was entitled to?

Q. No, to get you as much rock as he could?—A. I do not know: I would like all the rock I could get, as far as that is concerned, but I do not that I ever—the question you are putting I cannot quite understand.

Q. I am putting it on general principles: have you not many times in your life-time endeavoured to get the engineer to give you as much rock as he possibly would, or to give you as good an estimate as you could get from him?—A. I do not know about many many times I ever had any conversation with an engineer in that way.

Q. Then you are a marvel among the contracting world: you stand out in a class all by yourself, because even Maclachlan admits the contractors go to him. Did you ever do anything, or write any letters, or make any movement in the progress of the work to use you as well as he possibly could?—A. I do not know that I wrote any letters about the affair at all, about the estimates or quantities or classification.

Q. I have a letter which I want you to look at, and tell me whether that is a copy of a letter you sent to Mr. Nelson?—A. I do not remember of ever writing that letter.

Q. Will you say now, is that a copy of a letter which you sent to Mr. Nelson or not?—A. I do not remember of ever sending a letter to that effect away from our office.

Q. You see the word "copy" written in the corner?—A. Yes.

Q. Was that put there by you?—A. No, sir.

MR. CARVELL: I want the Chairman to initial that.

THE CHAIRMAN: Very well.

MR. PRINGLE: How does it go in?

MR. CARVELL: It is not in yet.

MR. PRINGLE: Why does the Chairman initial it if it is not to go in?

MR. CARVELL: We are not through with it yet.

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*By Mr. Carvell:*

Q. It is a fact that the August estimate shows 10,000 yards of rock taken out?—  
A. I could not say that.

Q. Have you the original estimate you received from Smith & Company?—A. I believe they are here.

Q. You might get those out if you have any doubt about it?—A. I have no doubt about the estimates you have here.

Q. These were produced here by the Auditor General so I think there is no doubt about their authenticity. I want to tell you, and you can do this figuring for yourself—  
—A. I am not much of a figurer.

Q. The earth at the end of August was 26,940, and at the end of July it was 24,940: the difference between those would show the work done in August?—A. Yes.

Q. That is 2,000 yards?—A. Yes.

Q. That rock, the quantity at the end of August—that is the same thing—was 13,183, and the end of July it was 3,183: now, you subtract that and you get 10,000 yards. According to these progress estimates it shows 10,000 yards of rock actually removed?—A. Yes.

Q. Then there was some rock blasted and not removed at the end of August, 5,105, and at the end of July 1,600. Subtract the one from the other and you have 3,505. This would show—and you can rest assured I have given you the correct evidence—this 2,000 would be the earth removed in the month of August, and 10,000 the rock removed, and 3,505 the rock blasted but not removed. These are the official records. Here is a copy of the records you sent to Grant Smith & McFee, and you will see the figures are exactly the same?—A. Yes.

Q. Of that 10,000 yards of rock, a portion of it as I understand was removed by the clamshell derrick *John A. Lee*?—A. I cannot say.

Q. In July?—A. No, August. The *Lee* was there in August, till the 12th.

Q. Did you take the *Lee* away?—A. I ordered it away, yes.

Q. Have you told why you discontinued the *Lee*?—A. Well, the rock was too hard for her to handle. The *Lee* was three yards and a half dipper, she opened twelve feet, but while she would take up loose rock and boulders, and one thing and another, she could not grapple into that hard material, and we worked her there at a loss for a few days, I believe at a loss, and I took her out.

Q. You would have records to show that?—A. I made arrangements to get a heavier dredge.

Q. That is good business; nobody is finding fault with that. You worked her a few days in August?—A. Yes, I believe she worked at least twelve days.

Q. She could not have worked twelve days if she worked on the 12th, because there would be two Sundays out of that anyway?—A. There was two shifts on her.

Q. Were not your men on strike for two days in August?—A. I believe it was in August.

Q. Won't that bring your working days down to eight?—A. I think so.

Q. And you say the clamshell dredge would not remove the rock?—A. I do not say she would not remove the rock, but she would not remove it fast enough to make it pay.

Q. Therefore you got another dredge?—A. I got a more powerful dredge, more adapted to that kind of work.

Q. About what was the approximate cost of operating the *John A. Lee* a day, taking the whole outfit, *Lee*, tugs and scows? I am not asking you to be accurate. I am asking you approximately. Would it be round \$200 a day?—A. I was paying \$50 a day, I think it was, for the tug, either \$50 or \$60. I do not remember what I was paying for the *Beatrice*; about that; I paid so many prices for tugs over there, I cannot say what I was paying.

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Mr. MALLORY: \$40 a day for the *Beatrice* and \$35 for the *Butte*. We were using the \$35 tug.

Q. He says you were using the *Butte* in August?—A. I think we used the *Beatrice* at \$40 longer than we did the *Butte*.

Q. Put it down at \$40?—A. And then there were the scows worth \$7.50 a day for 30 days in a month. I am only taking one day.

Q. Now, what about the dredge?—A. The dredge was \$500 a month; the dredge was costing about—

Q. About \$20 a day?—A. I was making it up by the month, between \$600 and \$700 a month.

Q. I thought you said \$500 a month?—A. There was \$2,000 I paid for insurance, and I was paying \$500 a month.

Q. That would be \$700?—A. Yes.

Q. And how many days would there be in the month?—A. Twenty-six.

Q. It would be about \$27 a day according to my reckoning?—A. Yes. Now, the wages—

Q. How many men did you have there? Mr. MacLachlan has put it at fifteen men?—A. On a shift?

Q. No, altogether?—A. I guess that would be about right.

Q. Would they average at \$4 a day?—A. Yes.

Q. That would be \$60?—A. Yes.

Q. And the fuel; give us a rough estimate?—A. The fuel will amount to, I suppose, about ten barrels a day.

Q. That would be \$15?—A. No, I do not think it would be that; we were paying a dollar and a quarter.

Q. \$12.50?—A. About that.

Q. Add those up and see what you have got?—A. \$152.

Q. A day?—A. Yes.

Q. I think it would be fair to throw on something else, because there would be breakages?—A. Yes, I guess the repairs of that dredge was costing—I suppose it would be safe to put it at \$100.

Q. \$100 a day?—A. Yes.

Q. Oh, no?—A. I can show you bills thousand of dollars.

Q. You are giving the evidence: it seems to me to be steep at \$100 a day?—A. The repairs on the dredges amount to more than any other part.

Q. Now you have \$250 a day?—A. Yes.

Q. And it worked eight days; I think that is what you have agreed to: the clamshell worked eight days in August; there were two Sundays and two days on strike; she left on the 12th?—A. Taking those days there on strike, the expense goes on just the same; it costs just the same, except a dollar or so fuel.

*By the Chairman:*

Q. Sundays the same?—A. No, we do not pay them for Sundays, but we pay them full time for anything else. If it is blowing so that we cannot work, we have to pay them just the same.

*By Mr. Carvell:*

Q. Take your ten days and you have \$2,500. Will you tell me how many yards of rock you moved in those eight days with the clamshell dredge *John A. Lee*?—A. I could not tell you that.

Q. You must have a record somewhere?—A. If I had they are here.

Q. I wish you would find that out, because I look upon it as a matter of some importance. After the *John A. Lee* ceased work, how was the dredging carried on?—

A. After the *John A. Lee* left, the Pacific Dredging company took it up.

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Q. By contract?—A. Yes.

Q. That is when the *Puget Sound* came there?—A. Yes. . .

Q. And they did that work for, I think it was \$1.05?—A. \$1.05 for rock and 25 cents for earth.

Q. I suppose they got paid for the amount of rock which they removed?—A. I suppose so.

Q. You must have the record of how much pay they earned for that month and how much rock they moved for that month?—A. I must have, but I was not the book-keeper.

Q. You must have that from some source?—A. Not that I remember, I do not know what it was, but it must be in there some place.

Q. It must be amongst your books somewhere?

Mr. PRINGLE, K.C.: What month?

Mr. CARVELL: The August work. It must be there amongst those papers.

*By the Chairman:*

Q. Would that dredge be removing blasted rock?—A. Oh, yes; the plant had been there for a long time before that.

Mr. PRINGLE, K.C.: Would this be it? I see a statement here, the month of August, Bills payable, and so on, and among the Bills payable, the Vancouver Dredging and Salvage Company. That is not the company, is it?

WITNESS: No, they are a different company.

Mr. PRINGLE, K.C.: There is a cheque \$10,831 to McDonald.

Mr. CARVELL: That is July; that is for drilling. We have 7,000 yards, and I think this witness would probably agree to that.

WITNESS: What is that?

Mr. CARVELL: That the dredge *Puget Sound* got credit for 7,000 yards in the month of August?—A. I suppose so, you have the records there.

Q. I have no records; I am trying to find out. I thought possibly you would accept that?—A. If it is on the record; I do not deny anything that is there.

Q. You must have the statements such as this I hold in my hands rendered by the subcontractors?—A. Yes, unless they were taken—were those taken from my office?

Q. Those were taken with the court papers, and those are copies, not of that transaction, but copies of the original estimate handed to you by Grant, Smith and McDonald?—A. Are those the ones taken out of my office? Are those the ones Mallory took out of my office?

Q. Yes?—A. I do not think I have any more copies.

Q. These are copies?—A. I think I have copies of these in there, if you look in those files and hunt up Henry McFee's file—

Q. They were the drilling company?—A. You want the dredging?

Q. Yes, I want the dredging?—A. That would be the Pacific Dredging Company's estimates.

Q. You want the estimate for August?—A. I suppose it is there.

Mr. PRINGLE, K.C.: Here is the estimate. That is the Pacific Dredging Company's account against you for August.

Mr. CARVELL: It would be in the September estimate.

Mr. PRINGLE, K.C.: They claim to have moved 14,000 yards.

Mr. CARVELL: No, 7,000.

Mr. PRINGLE, K.C.: Seven thousand of earth and 14,000—

Mr. CARVELL: No, there is 7,000 in both months.

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Mr. PRINGLE, K.C.: Yes, that is it, 7,000 in both, or 14,000 in all.

Mr. CARVELL: I think that you are safe in telling the witness that 7,000 is the amount of rock which the Pacific Dredging Company removed in the month of August.

Mr. PRINGLE, K.C.: I will tell him the monthly estimate number 2 for the month of—I don't know whether it is for the month of August or not; the document says month of September; earth 7,000, rock excavation 14,000, but there was a quantity of 7,000 this month and previous quantity 7,000; whether that is the previous month or not, I do not know.

WITNESS: Yes.

Mr. PRINGLE, K.C.: It would look very much as if the previous quantity was 7,000.

*By Mr. Carvell:*

Q. You accept that?—A. If it is there it must be accepted.

Q. You accept that as a fact, and accepting the fact also that 7,000 yards of rock were removed in the month of August, it must be the fact that 3,000 yards of rock were removed by the *John A. Lee* in the month of August?—A. Yes, it certainly would work out that way.

Q. And for dredging this 7,000 yards of rock you get from the original contractors the sum of \$7 a yard, do you not?—A. Yes.

Q. I wish you would make some more computations in order to get your figures; take 7,000 yards at \$7 a yard, makes \$49,000—no, I beg pardon 3,000.—A. You will get me in some trouble.

Q. Oh, no?—A. Three thousand yards, at \$3.

Q. You get out of that \$3?—A. Yes.

Q. You paid \$4 for the blasting, did you not?—A. Yes.

Q. And that left you \$3?—A. Yes.

Q. Three times three would be nine—\$9,000?—A. Yes.

Q. You would have \$9,000 for the rock in the month of August taken out by the *John A. Lee*?—A. Yes, and my expenses were \$2,500 for the eight or ten days.

Mr. PRINGLE, K.C.: Be fair with the witness. He has an expense account, and he had better look into it and see what his expenses were. I think his receipts and expenses about balance.

Mr. CARVELL: I believe I am treating the witness fairly. If not, you have an opportunity of closing it up. The witness has put down every item. He has put on \$100 a day for incidentals, and, giving him the very maximum figure he can imagine, his total expenses would be \$2,500 for the eight days. He admits getting \$9,000 for the eight days' work, and taking from that \$2,500, you have \$7,500 clear profit for eight days' work of the clamshell dredge.

WITNESS: I do not know.

Q. It looks that way?—A. Yes.

Q. And yet you say you could not make money with the clamshell dredge, when you were making nearly \$1,000 a day clean profit?—A. I think there must be something wrong some place there.

Q. I will tell you what was wrong: it was earth and not rock; and that was the object I had in view in taking you through the complicated and devious route in order to prove to your satisfaction that the figures are right. (No answer.)

(The committee adjourned till 8 p.m. to-night.)

## HOUSE OF COMMONS,

COMMITTEE ROOM No. 301,

FRIDAY, April 14, 1916.

The committee resumed at 8.15 p.m., the chairman, Mr. Middlebro, presiding.

The examination of Mr. C. E. McDONALD was resumed.

*By Mr. Carvell:*

Q. When we adjourned this morning, Mr. McDonald, you had figured up the profits made by you in dredging those eight days with the *John E. Lee*, and I stated it was \$7,500, and I think that was an error of a thousand dollars, making the amount \$6,500. Then, will you tell me how much profit you had on the 7,000 yards dredged by the Pacific Dredging Company?—A. What is that, rock? Here is a statement.

Q. Thanks, I would prefer getting it out my own way. You had \$3 a yard for the dredging, didn't you?—A. That I dredged myself, yes. I was paying \$4 to Henry, McFee and Macdonald for breaking the ground.

Q. That left you \$3 for dredging?—A. Yes.

Q. And you paid the Pacific Dredging Company \$1.05?—A. Yes.

Q. And that left you \$1.95 net. And you said this morning that the Pacific Dredging Company dredged 7,000 yards in the month of August?—A. I believe that was it.

Q. That is right. Will you please multiply 7,000 by \$1.95. I make it \$13,650, and I think Mr. Pringle will admit that is correct?—A. That is for July?

Q. In August?—A. August.

Q. 7,000 yards you said this morning had been taken out by the Pacific Dredging Company in August.

Mr. PRINGLE, K.C.: Doesn't the August estimate show 10,000 yards altogether?

Mr. CARVELL: Yes. We figured out 3,000 as taken out by the *John E. Lee* and 7,000 yards taken out by the Pacific Dredging Company.

*By Mr. Carvell:*

Q. Is your calculation \$13,650?—A. Yes.

Q. You have \$6,500 and \$13,650, that would make \$20,150, according to my figuring. That would be your profit.

The CHAIRMAN: What month?

Mr. CARVELL: For the month of August on the rock alone.

The WITNESS: \$20,000 on the rock?

*By Mr. Carvell:*

Q. \$20,150 on the rock. Then there would be some little profit on the earth, but we won't consider that, it is so small it is not worth talking about at all. But as a matter of fact, there was 2,000 yards of earth on which you had 10 cents, that would be only \$200. You might as well put it down.—A. I got \$13,650.

Q. And \$6,500 you said this morning on the *John E. Lee*.

The CHAIRMAN: That was before the 12th August?

Mr. CARVELL: Yes, before that.

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*By Mr. Carvell:*

Q. Then in the month of August there were 2,000 yards of earth returned on which you had a profit of 10 cents.—A. That was after the 12th.

Q. The whole month of August according to the progress estimate. 2,000 yards at 10 cents would be \$200.—A. Was it the Pacific Dredging Co. that dredged that?

Q. I do not know. We only know that the progress estimate shows 2,000 yards of earth taken out in the month of August?—A. Yes, I might have dredged some of that with the *John E. Lee*.

Q. Possibly. It does not make any difference by whom it was dredged. If it was dredged by the *John E. Lee* there would be more profit. But supposing it was dredged by the *Puget Sound* that would leave \$200 profit. Then how much profit did the main contractors have on the 10,000 yards of rock?—A. Well, I do not know their price. I never did know it to swear to.

Q. We know here the price is \$9.10, and you got \$7, that left \$2.10, and there were 10,000 yards. That is very easily figured. That would be \$20,100. So we will put that down. That gives us \$40,450 profit made by you and the main contractors from these figures for the month of August. I suppose it is fair to assume that Henry, McFee and Macdonald made some profits, isn't it?—A. I don't know how they came out, I could not say.

Q. I don't want you to swear to what you don't know. Now, Mr. McDonald, doesn't it strike you that is fairly good money from the proposition, \$40,000 straight profit in one month on a little contract like that?—A. That would be fairly good, yes.

Q. I would think so. Now, Mr. McDonald, is it not a fact that you removed what we call the soft material off the top of the rock by the *John E. Lee*?—A. Well, I might have, what I thought she could handle.

Q. Economically?—A. Economically, yes. I also handled some rock with her.

Q. In your evidence before the Court at Victoria—I am reading now from page 22 of the typewritten transcript, I find this question there, beginning at question 198 (Reads):—

“Q. You drew \$8,000 on the 3rd September?—A. \$8,000 on the 3rd September. Out of this bank here?”

Q. Yes.—A. Yes, I remember that.

Q. What did you do with these moneys?—A. I took them over to Vancouver.

Q. Who did you pay them to?—A. The Royal Bank of Canada in Vancouver.

Q. What for?—A. I put it on deposit there.

Q. That would appear in the deposit about 4th September I suppose?—

A. I had that money in safe deposit for a couple of days and then put it in the bank.”

Now, will your books show whether you transferred \$8,000 from the Victoria Bank over to Vancouver?—A. I don't know whether they show it or not.

*By Mr. Pringle, K.C.:*

Q. Have you got your books there?—A. Which books?

Q. Your bank books?—A. Yes. You would want the Victoria Bank book I suppose.

*By Mr. Carvell:*

Q. The date mentioned in this evidence is 3rd September?—A. Well, here is the Victoria Bank book (producing book).

Q. See if you drew \$8,000 out of the Victoria Bank?—A. On what date?

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Q. The 3rd September?—A. (After examining bank book). I don't see anything there on the 3rd. Oh, yes, I see \$5,500 and \$2,500.

Q. You have the two cheques there?—A. The two drafts are here, yes.

Q. Well, drafts or whatever they are. Now will you turn to your Vancouver bank book and see if you deposited \$8,000 round that time?—A. (Producing bank book). On what date, September 3?

Q. On September 3 perhaps, or the 4th or 5th. Well, it would be a little later than that, because according to the evidence you gave you put it in the safety deposit for a couple of days?—A. Here is a deposit here on September 4 of \$5,500, and then there seems to have been a lot of cheques against it.

Q. Those were issued against it?—A. Well, the deposit was \$5,500.

Mr. PRINGLE, K.C.: There were two deposits, the \$5,500, and on the 2nd of October a deposit of \$2,000.

Mr. CARVELL: We are talking about around September the 3rd, 4th, 5th or 6th. Now in your evidence in Victoria, if it is taken down right, the question and answer are:—

“So a few days after the 3rd of September there should be a deposit to your credit there”

that is in Vancouver,

“of about \$8,000?”

Now you do not find it there?—A. No, I did not put it in the bank.

Q. But you do find it, \$5,500?

*By Mr. Pringle, K.C.:*

Q. Are there two accounts in Vancouver?—A. I had a safety deposit there.

*By Mr. Carvell:*

Q. I have read you the statement in which you say there was \$8,000 or thereabouts deposited shortly after the 3rd of September, but as far as your bankbook shows it is only \$5,500.—A. That is on the 4th.

Q. And you withdrew \$8,000, or thereabouts, from Victoria. Now Mr. Mallory has sworn, I think he has, and if he has not he will, that you told him, or you left a memorandum of some kind that this was to be charged up to sundries. I will put the question this way: Did you ever tell Mr. Mallory to charge up that \$2,500 to sundries?—A. I do not think so—no, I can't quite swear to that; but I don't see what my object would be in telling him that.

Q. Did he ask you what the sundries amounted to, and did you say to him that you had to use it to further the progress of the work?—A. I do not remember anything about that.

Q. Well, now, Mr. McDonald, what did you do with this \$2,500?—A. Well, I am just trying to remember; I probably put it in the safety deposit for a night; I put them all in the safety deposit, I think I put all that money in the safety deposit for a night anyhow, and I put some of it in the bank, and, another thing, I at some time or other, I do not know if it was that time, but I think it was, I lent some to my sister.

Q. Did you take some money over to Vancouver in the form of certified cheques?—A. I took it in cash, if I remember it right, because they were charging me so much for exchange, and I concluded I would take it in cash. I remember when I was drawing it out of the bank they wondered at my taking so much money.

Q. I think you are in error, the \$5,500 was a cheque and the \$2,500 was cash.—A. I thought it was cash.

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Mr. PRINGLE, K.C.: I think you are wrong there, Mr. Carvell; I think he got the cash.

Mr. CARVELL: Well, produce the cheque.

Mr. PRINGLE, K.C.: For the \$5,500?

Mr. CARVELL: Yes, and see if it didn't go through the Royal Bank in Vancouver.

Mr. PRINGLE, K.C.: No, I haven't the Victoria cheque.—A. No, they took it out of the office.

*By Mr. Carvell:*

Q. Here it is (producing the cheque).—A. That is what they took out of the office.

Q. Will you look at that cheque, please?—A. (After examining cheque) \$5,500.

Q. And it was transferred to Vancouver, wasn't it?—A. Yes.

Q. It says, "In cash at par at Vancouver," and it is endorsed at Vancouver?—A. Yes.

*By Mr. Pringle, K.C.:*

Q. Where does that cheque come from?—A. It was taken out of my office.

*By Mr. Carvell:*

Q. So that it is a fact it was transferred to Vancouver by cheque?—A. It must have been.

Q. Now take this one, this is the one for \$2,500. (Cheque handed to witness)—A. September 3.

Q. To whom was that payable?—A. Payable to me.

Q. And you drew the cash on that?—A. I drew the cash.

Q. Then it is a fact you transferred the \$5,500 to Vancouver by cheque and you drew the \$2,500 in cash. Now I ask you to give us your best recollection what you did with that money?—A. I lent that money to my sister.

Q. Have you any evidence to show that you did?—A. Yes.

Q. What have you got?—A. I have a receipt for it.

Q. Have you got it here?—A. Yes, I have.

Q. Will you let me see it?—A. (Witness produces receipt).

Q. This reads:

Seattle, September 5, 1915.

Received from C. E. McDonald, \$2,500, in payment of money borrowed in 1893.

Catharine McDonald.

Now, do you swear that receipt was drawn up on the 5th day of September, 1915?—A. Yes.

Q. There is no doubt about it at all?—A. It must have been.

Q. It was a good thing to be able to pay debts of that age, wasn't it?—A. Yes.

*By the Chairman:*

Q. Whose writing is it in?—A. My own writing.

Q. Whose writing is the signature?—A. My sister's.

*By Mr. Carvell:*

Q. Did you have that in your possession when you gave your evidence in Victoria?—A. Yes.

Q. Now, having that in your possession, why did you come to state that you had transferred the whole \$8,000 to Vancouver and deposited it in the Vancouver bank?—A. I thought I had done it at the time.

Mr. C. E. McDONALD.

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Q. And it never occurred to you that it would be advisable to produce this receipt?  
—A. I did not know whether it was that money I gave it out of or not.

Q. And while the matter was fresh in your memory, only a short time after the transaction, you did not think it was of sufficient importance to produce that receipt in Victoria?—A. I don't think I had it on me, it was in the safety deposit.

Q. And you had forgotten the transaction?—A. No, I did not forget the transaction.

Q. Did you make any reference to it in Victoria?—A. I do not know whether I did.

Q. The records are silent and do not say anything about it, and they do show that you swore you deposited the whole \$8,000 in Vancouver, that must have been an error, was it not?—A. It must have been.

*By Mr. Pringle, K.C.:*

Q. Now, my learned friend was examining you as to your profits. You are not an accountant at all, are you, Mr. McDonald?—A. No.

Q. Your accounts were kept by Mr. Mallory up to the 12th October, I find by the books.

*By Mr. Carvell:*

Q. There was one little book I wanted to produce, but I had forgotten about it. Have you a book, a black covered book, a small book, probably about the size of one of your bank books, and quite thick, in which there were some entries made, some different entries anyway regarding the business?—A. I do not know. I do not think I have any of that kind here.

Q. Have you got any of that kind anywhere else?—A. I do not remember of it.

Q. Have you looked among your papers lately to be sure there is no such book there?—A. (Witness looks in handbag).

Q. You have not got it?—A. No, I do not think so.

Q. If you haven't it, you cannot produce it.

*By the Chairman:*

Q. Mr. McDonald, is your sister a married woman?—A. No, she is single.

Q. She is a single woman. Have you been taking contracts before this year?  
—A. Yes.

Q. Have you been doing much contracting work?—A. For thirty years. I was contracting in Washington.

Q. Where was your last contract before this one?—A. On the Canadian Northern.

Q. Did you do all right there?—A. Well, no, I didn't make much money.

Q. Where was your contract before that?—A. I was on the Alaska, Copper River and Northwestern Railway.

Q. Did you make some money there?—A. Yes, I made some money.

Q. Why did you not pay this money back then?—A. Well, I did not consider that I had enough so I could pay it. I paid part of it.

Q. Did you pay her any interest for the thirteen years?—A. I allowed her interest on that.

Q. How much did you borrow from her?—A. \$1,500.

Q. You only borrowed \$1,500?—A. Yes.

Q. And you allowed her \$1,000 interest?—A. Yes.

Q. How do you compute that interest?—A. I asked her if that would be satisfactory, and she said it would.

Q. Did you ask that before you paid her?—A. Yes, before I paid her.

Q. When did you ask her that?—A. The last payment.

Q. How did you know that she would take that exactly, \$2,500?—A. I thought that was fairly good interest.

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Q. You made a guess at what she would be satisfied with, and you made it out at \$2,500?—A. Yes.

Q. For thirteen years.

Mr. CARVELL: No, twenty-two years.

The WITNESS: Over twenty years.

*By the Chairman:*

Q. What per cent were you allowing her?—A. Well, I did not figure on per cent. I guess it will be about 5 or 6 per cent.

Q. Had she a note for this amount?—A. No, she did not have nothing.

Q. Nothing at all?—A. No.

Q. Did she ever ask you for it before?—A. She wrote me about it ten or fifteen years ago.

Q. She never bothered you since?—A. Oh, no.

Q. I see. The body of this receipt is in your handwriting, is it?—A. Yes.

Q. She makes her "C's" very much like yours, exactly the same as yours (indicating on receipt)?—A. We went to the same school.

Q. And you kept that up for twenty-two years?—A. Yes.

*By Mr. Pringle, K.C.:*

Q. I notice these books were kept by Mr. Mallory, and I must say they are very neatly kept at least.

Mr. CARVELL: Could I see that note a moment?

(Note handed to Mr. Carvell by the Chairman.)

*By Mr. Pringle, K.C.:*

Q. You started off in July with an overdraft in the bank, an overdraft from June of \$2,369.39, according to Mr. Mallory's statement here, and you seem to have received from estimate No. 1, \$10,462.64. That seems to be all accounted for in different items, Victoria Machinery Depot, Robertson's Iron Works, Canadian Fairbanks Company, and so on. You do not seem to have drawn any money that month for yourself. Now then, on the 1st August you seem still to have been in debt. You seem to have had a debtor balance at the bank of \$3,653.82, and you got estimate No. 2, \$22,111.46. One of the largest items that you paid out of that is \$10,831.45 to McFee, Henry and MacDonald. I see some fairly large items here, for instance, to the Corporation of the City of New Westminster, what would that be for?—A. That is rental for the dredge, was it not?

Q. I do not know, I am asking you.—A. That is what it was.

Q. Had you a dredge rented?—A. Yes.

Q. What dredge had you rented from them?—A. The *John E. Lee*.

Q. Then there are some fairly large items, Captain Berquist \$455, Captain Berquist again \$454.37, and so on. Who was Captain Berquist?—A. I had his tugs hired. That is one tug on the Victoria work and one tug on Vancouver.

Q. Now then, I do not find out of \$22,116 that you ever drew anything out except \$5,500. There seems to be a marked cheque, number 142, for contract No. 2 of \$5,500.

Mr. CARVELL: Don't you find the \$2,000 there too?

Mr. PRINGLE, K.C.: I think that was in September. This is August. He seems to have made only one drawing in so far as McDonald is concerned. All the rest is in the cheques, and they seem to be for ordinary amounts in connection with the business.

*By Mr. Pringle, K.C.:*

Q. You have no idea what that \$5,500 was for in August?—A. \$5,500, I do not know.

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Q. That seems to be the only amount you have drawn out yourself in that month.

Mr. CARVELL: I suppose, Mr. Pringle, as you produced this book, you have no objection to my examining it?

Mr. PRINGLE, K.C.: Not the slightest. Mr. Mallory kept these books, but he seems to have fallen down in September and October.

*By Mr. Pringle, K.C.:*

Q. I will take a look for that missing cheque again. But that seems to be the only cheque you have drawn. There seem to be cheques here. I will just go over them. You had a debtor balance of \$3,653.82 in the Royal Bank before you got your estimate of \$22,116.46. Now then, you seem to have paid a man named Hinksman, \$22.49?—A. Some man that worked for me.

Q. You seem to have paid the Bulman Lumber Company \$23.10?—A. For lumber.

Q. Pemberton and Son \$25, Thomas Pimley, two amounts totalling \$238.40; G. E. Mallory, expenses to Vancouver, \$20, August expenses, Mallory \$15.65; Corporation of New Westminster, \$500, \$120.27, \$125; Vancouver Dredging and Salvage Company, \$127.50?—A. I had some of their scows working for me.

Q. Then Captain Berquist \$455 and \$454.37?—A. He is a tug man.

Q. Captain Robert Bailey, \$12?—A. Another tug man.

Q. August payroll, \$227; McFee, Henry and Macdonald, \$10,831.45?—A. That was the drill plant.

Q. Then you have a marked cheque for \$5,500, which is marked "Vancouver Contract." Did you draw any money to take to your Vancouver contract?—A. Yes, several times.

Q. Then there is M. Hinksman, \$10.75, B.C. Telephone Co. \$12.60, Victoria Machinery Depot \$137.42; Colonist Publishing Company \$3.50; R. P. Rithet and Co. \$91.24; Robertson's Iron Works \$21.38, and Thomas Pimley \$1.97. You seem to have paid out \$19,089.59, and then with your overdraft that seems to have exhausted all the money for that month, and the only amount you drew out was \$5,500, and that is marked for your Vancouver contract. You were carrying on a Vancouver contract at the same time?—A. Yes.

Q. And with the same bank financing you for the Vancouver contract?—A. The Royal Bank.

Q. Now, come to September.

The CHAIRMAN: He was shown to have got a profit in August of \$20,000. Are all those items to be taken out of that amount except the item he took to Vancouver?

Mr. PRINGLE, K.C.: In that month he shows no profit at all.

Mr. CARVELL: That is not so.

Mr. PRINGLE, K.C.: I am speaking of August. We will come to September after.

Mr. CARVELL: That is not the explanation.

Mr. PRINGLE, K.C.: Mr. Mallory kept these books.

The CHAIRMAN: Mr. Carvell, you did not contend he made \$20,000 clear in the month of August?

Mr. CARVELL: I think he must have had \$20,000 in the month of August.

The CHAIRMAN: This shows the money had all been expended except \$5,500. Ask him straight if that was so.

*By Mr. Pringle, K.C.:*

Q. Was that money all paid out except \$5,500?—A. I think you will find that it was. I think you will find there are letters in the bank to that effect.

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The CHAIRMAN: I had the impression Mr. McDonald had made \$20,000 clear during the month of August.

Mr. CARVELL: That is correct.

The CHAIRMAN: It is up to you, Mr. Pringle, to show that it is not correct. You have read out a lot of expenditures. If they are legitimate expenditures, they must be credited against the Victoria contract.

Mr. CARVELL: The witness has not said that.

The CHAIRMAN: I myself think they are.

Mr. PRINGLE, K.C.: We will see whether they are or not. These books deal with the Victoria contract. They have been kept by Mallory, who seems to have got away with our cheques and everything else and left the books in a mess. Now, here is a letter from your banker dated July 14 (reads):

C. E. McDONALD, Esq.,

DEAR SIR,—At the close of business to-day your current account with this bank was over-drawn \$2,171.39.

As to-morrow is our semi-monthly balance day we shall be obliged if you will kindly call and sign a short date note covering the over-draft as it is contrary to our rules to grant any extended advances by way of over-drafts.

Thanking you in anticipation,

Yours truly,

(Sgd.) J. A. TAYLOR.

You deposited your estimate in that bank, did you?—A. Yes.

Q. That would cover the overdraft?—A. I gave him my note at that time.

Q. Yes, I see the manager requested you to sign a short day note to cover the overdraft? So you were not so flush that you could cover your overdrafts anyway?—A. No, the work was behind then.

Q. Do you know, if you do not say so, were these expenditures charged—

Mr. CARVELL: I know and you know that we are talking about estimates paid in the month of August, and Mr. McDonald would not get that money until some time along in September.

Mr. PRINGLE, K.C.: I am dealing with August. We will deal with September estimates later.

Mr. CARVELL: The accounts you have got there would not show the profits you have got in August.

*By Mr. Pringle, K.C.:*

Q. We will come to September. Mr. Mallory was with you the whole month of September?—A. Yes, sir.

Q. He was supposed to have charge of your books?—A. Yes, he had full charge of the books.

Q. You see Mr. Mallory has not credited your estimate in the books for August. He has charged up a large number of bills payable and payments of different parties but has not credited your estimate. Do you know why that estimate was not credited?

—A. No, I do not, I could not tell you. He must have overlooked it, or something.

Q. At any rate the estimate is not credited?—A. I never noticed it myself. I did not look much over the books, I could not make head or tail of them.

Q. In a letter written by you on September 20 you say (reads)—

Mr. C. E. McDONALD.

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"September 20.

"J. A. TAYLOR, Esq.,

"Manager, Royal Bank, Victoria, B.C.

*Re Payment of Subcontractors.*

"DEAR SIR,—Arrangements have been made with Grant, Smith & Co., and McDonnell, whereby they will deposit in the Royal Bank the amount due me on my August estimate when they receive the cheque for the same from the Dominion Government. When this cheque from Grant, Smith & Co., and McDonnell has been received by your bank I will present to you two statements or subcontractors' estimates showing the amount due each subcontractor on my work.

"I hand you herewith cheques No. 154 and 155 properly signed, which cheques you will kindly fill in for the amount as shown by the subcontractors' estimates when they are handed you.

"Yours truly,

(Sgd.) "C. E. McDONALD."

Now, in September you seem to have got \$22,116.46. Can you show me cheques Nos. 154 and 155. If you cannot I think I can find them?—A. Who were they paid to?

Q. McFee, Henry & McDonald and the Pacific Dredging Company, I think. Have you got your September cheques there?—A. (After making search.) No, I do not think so. These are all November cheques.

Q. I see you have a payment charged up against your estimate of September of \$10,831.45. Who would that be paid to?—A. It would be one of the subs, I don't know which one.

Q. This is in September?—A. I think that probably would be the Pacific Dredging Company.

Mr. CARVELL: It looks to me very much as though McFee, Henry & McDonald got that payment of \$10,831.45.

The WITNESS: It might be.

Mr. PRINGLE, K.C.: (To Mr. Mallory.) You kept these books. The payment of \$10,831.45 is entered in the books in August, but the estimate of \$22,116.46 does not seem to have been credited until September 2.

Mr. MALLORY: The \$22,116.46 was the August estimate.

Mr. PRINGLE, K.C.: At any rate you paid out of this August estimate approximately \$11,000.

The WITNESS: Yes, sir.

Mr. PRINGLE, K.C.: To McFee, Henry & McDonald. Then you paid out \$5,000 to the Pacific Dredging Company and you had a number of other expenditures amounting to two or three thousand dollars.

Mr. CARVELL: There you have the whole thing.

Mr. PRINGLE, K.C.: That is July expenditures.

Mr. CARVELL: Credited in September.

Mr. PRINGLE, K.C.: I am not going into this in detail because the books are all mixed and hard to follow. Mr. Mallory, for some reason or other, after the 12th day of October did not keep any books.

Mr. MALLORY: There were not any to keep.

Mr. PRINGLE, K.C.: I understand that Grant, Smith & Co. and McDonnell, Ltd., paid directly to these people, and there was a very small balance coming to McDonald. I see now.

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*By Mr. Pringle, K.C.:*

Q. After this date orders were given to Grant, Smith & Company and Macdonnell Limited to pay the money directly over to the subcontractors?—A. Yes.

Q. And consequently there would be a very small balance coming to you?—A. Yes.

Q. So that you had, judging from these books, very heavy expenses in connection with repairs, did you have insurance as well?—A. Yes, I paid \$2,000 for insurance.

Q. So that there would be \$18,000 out of the \$21,300 paid out and that would only leave out of that estimate \$3,300 coming to you?—A. I think you will find the insurance account here.

*By Mr. Carvell:*

Q. Do you mean to tell us that your insurance cost you \$2,000, 10 per cent?—A. Yes.

Q. Did you not get a rebate back of \$800?—A. I did not get any back yet, but I intend to get some back, but it is much less than that.

Q. You, this morning, in giving me an estimate of your expenses charged up the whole of that \$2,000, and we accepted that?—A. Yes.

*By the Chairman:*

Q. On that supposed profit of \$21,300, you paid out \$18,000.

Mr. CARVELL: No, no.

The CHAIRMAN: That is what the witness said.

Mr. CARVELL: That supposed profit was in the month of August and he is talking about the moneys that came in for the July work. That is plain.

*By Mr. Pringle, K.C.:*

Q. Unfortunately according to the bank book and according to Mr. Mallory this man was very much overdrawn before he saw daylight at all?—A. There, (producing document) is the insurance receipt.

Q. What did you do with the bank book that you had here?—A. That receipt for insurance is here anyway.

Q. Well, how was it you were running along nearly all the time with an overdraft?—A. Well, I was not getting anything, I was not making any money, because the repairs and everything were so heavy and, then, it takes a lot of money to keep these scows, tugs and dredges in repair. It costs something enormous to keep machinery in shape.

Q. Now then, let us see how you stood in September?—A. That scow blew up one day and we had to put it on the "ways" to get it repaired.

Q. What did it cost you?—A. I do not remember what it cost, I know it was a pot of money I had to pay to repair it.

Mr. CARVELL: I would rather, Mr. Pringle, you did not ask this witness very much about that bank book because if you do I will have to cross-examine him on it and I do not want to go into his private affairs.

Mr. PRINGLE, K.C.: We have nothing to hide in any shape or form. You have obtained a statement from him, very astutely I must say, you have got from him the admission that he had large profits without taking into consideration any overhead expenses and other items.

The CHAIRMAN: That is just what I want to find out. It would appear from the evidence that he has made a profit of apparently \$20,000, that, if you look on the face of it, is apparently clean profit although he sub-let the work without being under any expense.

Mr. CARVELL: All except \$6,500 profits on the *John E. Lee* for eight days.

The CHAIRMAN: I want to know what his expenses were, or did he just stand off as a middleman with his hands in his pockets.

Mr. C. E. McDONALD.



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Mr. CARVELL: He was simply a middleman after the *John E. Lee* left the work on the 12th of August.

The CHAIRMAN: Did he just stand by and rake in \$1.95 per cubic yard without having to do anything, with his hands in his pockets?

Mr. CARVELL: Only to pay Mr. Mallory's salary and his expenses.

Mr. PRINGLE, K.C.: The McFee firm did not commence until the 17th of August?

Mr. CARVELL: No, no, the McFee firm commenced on the 18th of June.

Mr. PRINGLE, K.C.: No, it was the Pacific Dredging Company commenced work on that date, they started work on the 17th, and during that time they were endeavouring to remove that material, and I understand he was going behind and couldn't accomplish it with the clamshell dredges for which he was paying a lot of money.

*By Mr. Carvell:*

Q. All the items that are put down there as having been paid in the month of August were paid out of moneys earned in the months of June or July?

Mr. PRINGLE, K.C.: July.

Mr. CARVELL: No, probably June, because he would not get the July estimate back until the end of August and possibly the beginning of September, and he says he was hard up, and his estimate for the month of June was not very large.

Mr. PRINGLE, K.C.: Mr. McDonald is not an accountant and doesn't seem to be able to give us a very clear account of it. I do not know how to account for it, but I find that he has a debit balance of \$7,653.52. I do not know how he would have that debit balance if he were making this enormous amount of money.

Mr. CARVELL: Yes, and he was drawing out \$5,000 in a block.

Mr. PRINGLE, K.C.: He says he was taking that over to the Vancouver work, and we will have to put an accountant on to find out where the money went.

*By the Chairman:*

Q. When you got your estimates did they always go into the bank first?—A. They were put right into the bank.

*By Mr. Pringle, K.C.:*

Q. There was only one estimate, or two at most, that ever went into the bank direct. The others went to Grant, Smith and Company and they took out the money for the sub-contractors and afterwards they put the balance into the bank. A. They put the balance into the bank for me.

*By the Chairman:*

Q. What did you do with the balance?—A. The balance of what?

Q. We want to find out about the money you got out of this contract. You would get it in a cheque?—A. Yes.

Q. And you would put that cheque into the bank to your credit, or rather Grant, Smith and Company would put it into the bank to your credit?—A. Yes.

Q. So that all the money that went into the bank the cheques will show?—A. Well, yes, not probably all. His cheques ought to show it.

Q. How much money have you put into your own pocket for your own use in addition to the \$5,500 that you took to Vancouver? There was \$5,500 you took there, and \$2,500 paid back to your sister, making \$8,000. How much have you drawn out for yourself personally, for your own personal use?—A. Well, I do not know.

Q. Have you paid back any other debts that you owe?

G. E. MALLORY.

Mr. PRINGLE: He paid the \$2,000 note.

The WITNESS: I paid out a good deal of money on building a drilling machine.

*By the Chairman:*

Q. How much?—A. Probably about,—it amounted probably to a couple of thousand dollars.

Q. That would be \$10,000?—A. I paid for a patent for it.

Q. How much?—A. \$3,000.

Q. This all came out of the Victoria contract?—A. Yes, it came out of the bank.

Q. That is \$13,000. Is there anything else that you paid out?—A. Well—

Q. I mean outside of Victoria, anything paid on account and for expenses I do not count. We want to know what you have drawn yourself for profit?—A. I could not tell you.

Q. How do you stand with the bank there now on the contract?—A. Well, I have got money in the bank.

Q. To your credit?—A. Yes.

Q. And if you get all that is coming to you, how much more will you have?—A. I don't know, that is pretty hard to tell.

Mr. CARVELL: All that he wants.

Mr. PRINGLE, K.C.: We will know better about that when we get through the Exchequer Court. That will do, Mr. McDonald.

Mr. CARVELL: All right, Mr. McDonald, you are discharged. But I have a piece of advice to give you. Be sure and keep that receipt from your sister, it is a very valuable document.

Mr. PRINGLE, K.C.: And Nelson's note.

Mr. CARVELL: Don't let anybody photograph that receipt on your life.

Witness discharged.

Mr. G. E. MALLORY recalled and further examined.

*By Mr. Carvell:*

Q. (Producing account book). Is this account book in your handwriting, Mr. Mallory?—A. Yes.

Q. I want you to turn to the month of August, and I do not want to cross-examine you on this book to any great extent, but my learned friend referred to this month. In the first place now, when would the bills be contracted that were paid in the month of August as in that book. Perhaps I had better change the question. What was the amount of money earned which appears to the credit of the business in this book?

The CHAIRMAN: For what month?

Mr. CARVELL: August.

The WITNESS: Let me explain in my own way. The estimate for June was supposed to pay the bills for June, July and ran into August, because the July estimate would not be received until the end of August or the first of September, and it would show an overdraft on the bank when the July estimate had been received.

Q. Then in other words, whatever payments were made in the month of August were made out of moneys received for the June estimate?—A. The payments in August would be from moneys received from the June estimate.

Q. And the July estimate you say would not be received till the last of August or first of September?—A. No.

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Q. Can you tell from this book (indicating book in hands of witness) whether the July estimate was received?—A. No, I do not know about the date. The cheque book would show when the deposit was made.

Q. Your book does not show?—A. No.

Q. We know, because it has already been stated in the evidence given by McDonald, that the money was received round the 3rd September, because that is the day he drew money out of the bank at Victoria?—A. Yes.

Q. That would be for the July estimate?—A. Yes.

Q. Taking the payments made according to the book in the month of August, when would those liabilities have been incurred? Would they have been incurred in the month of August or would they extend back to June or July?—A. The bills in here (indicating book) for the month of August would be for the month of August.

Q. They would be for the month of August, but would they be incurred in that month?—A. I think so.

Q. You think so?—A. Yes. I know they would.

Q. Then what are the expenses for the month of August?—A. (After making examination) \$2,678.14.

Q. That is the amount of the expenses for the month of August?—A. Yes.

Q. Then McDonald's estimate of \$2,500 was not very far astray?—A. No.

Q. Now, can you tell me from that book what McDonald's total profits would be for the four months you were there?—A. (After making examination) Up to the end of August, \$32,376.

Q. Profits?—A. Yes, that is within \$100.

Q. How do you make that?—A. From the expenses. The bills and all his expenses for May, June, July and August.

Q. And you made the computation deducting the expenses, did you?—A. Yes.

Q. And have you also the amount of his receipts?—A. Yes.

Q. And it leaves \$32,000 profits?—A. Yes.

Q. To him alone?—A. To McDonald's contract.

Q. I do not want to go into the details, but can you tell me generally what became of this money?—A. Most of it was drawn out of the Bank to Vancouver.

Q. Drawn out of the bank and transferred to Vancouver?—A. Yes.

Q. Have you anything in that book which shows the moneys transferred to Vancouver?—A. (After making examination.) There is \$5,500 transferred to Vancouver.

Q. In one place?—A. Yes.

Q. Anything else?—A. There is \$2,000 besides, transferred to Vancouver.

Q. Anything else?—A. Well, there were some other cheques I know of that were transferred, but I have not got them in there, one for \$4,000 and another for \$10,000.

Q. Are you talking of the actual moneys Mr. McDonald received or what he would have received on the classification which had been given in by the engineers?—A. I am speaking of the amount in cheques deposited in the bank by Grant, Smith & Co. and McDonnell.

Q. How much money do those books show Mr. McDonald received.

Mr. PRINGLE, K.C.: Where are those books?

Mr. CARVELL: These books here.

Mr. PRINGLE, K.C.: They do not show any receipts after September 2.

The WITNESS: I am not giving anything after August 31. What I am giving are the receipts from the payments of the June, July and August estimates.

*By Mr. Carvell:*

Q. What do they show?—A. \$57,792.90.

Q. Then you have figured up against that amount the expenses have you?—A. Yes.

Q. And it leaves \$32,000 profit to McDonald?—A. Yes.

Q. That is on the actual money received?—A. Yes.

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Q. You gave evidence on a former occasion of the fact that you had made a record of the \$1,000 for the automobile which you say McDonald told you to charge up to Maclachlan. Where is that to be found?—A. There is a little black book, an index book, with McDonald's private account, Nelson's private account and Maclachlan's private account.

Q. And that \$1,000 would be charged up in that book, would it?—A. Any transfer of money that I drew up from one to another is entered in that book. It is entered under the different headings in pencil.

Q. Referring to the contract produced yesterday, entered into between McFee, Henry and who else?—A. C. E. McDonald.

Q. There is an interlineation in pencil.—A. The word "rock" was put in in pencil also. The yardage "as estimated by the Government engineer." The words in quotation marks are the interlineations.

Q. Who put in those interlineations?—A. I did.

Q. When?—A. Mr. McDonald and I were having a talk about that contract about two days before he went to Vancouver—probably one day, probably two days, I don't remember exactly—we talked about having that 40,000 cubic yards in there and I told him I thought it should be changed, that "as estimated by Government Engineer" should not be there.

Q. Was that changed before you took the contract to Vancouver to be signed?—A. Yes.

Q. And, of course, it was in there when you got it back?—A. Yes, I mentioned it to him when he brought it back that I thought he was going to get it put in in ink and he replied, "Well, I did intend to, but I forgot it, I guess."

Q. Were you present at any conversation between Mr. Woolley and Mr. McDonald regarding the amount of rock which was supposed to be in that work?—A. I was with Mr. McDonald and Mr. Woolley the first time Mr. Woolley was over.

Q. What took place there?—A. Well, I met him down at the C. P. R. hotel with Mr. McDonald and we went up to C. E. McDonald's office and had a long talk about the price per yard that he was figuring on asking for in connection with the work. We also had a little talk about the amount of yardage, the approximate amount of yardage.

Q. Yes, and what was the amount estimated?—A. Well, I was using the quantities of 4,300 and 4,500 yards and Mr. Woolley said he would not bring the machine over for that, he could not afford to be moving the machinery around for that, there would be a little more than that. I don't remember the exact yardage that was spoken of at the time, but I mentioned that amount of 4,300 and he said there should be about 30,000 yards in it.

Q. And what did you say?—A. I said that the engineer's estimate showed 4,300, and I think that the expression that was used was, "Just forget it."

Q. Just forget that part of it?—A. Yes.

Q. Mr. Woolley says you told him that you thought there would be, I think, 45,000 or 47,000 yards, that is my recollection.—A. I never told Mr. Woolley that I thought there would even be 30,000 yards let alone 47,000. I never heard 47,000 yards mentioned until he gave his evidence.

Q. You deny that?—A. Absolutely.

Q. And was it after your conversation with Mr. Woolley you made that interlineation in that document?—A. That document was not in existence at that time at all; McFee brought it over long after they got on the work, I believe.

Q. Now, this forenoon Mr. McDonald stated that he had given you instructions to make up the cost of the work to date and the amount of material it would take to make up these amounts and that probably he instructed you to make up one of the little statements which is now in evidence, that is the one containing the 3,000 and the 7,000 yards of rock for the month of August. Now, did you take a statement consequently the same as that to Maclachlan for the August estimate?—A. Yes.

Mr. G. E. MALLORY.



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Q. You did?—A. Yes.

Q. And in the statement which you gave to Mr. Maclachlan for the month of August did you make a mistake in the quantities?—A. Yes—

Q. What was it?—A. No, I did not—no, I did not make a mistake in anything. I made the sheet up to agree with the figures given me by Mr. McDonald.

Q. There seems to be a discrepancy somewhere of 1,600 yards of rock blasted but not removed?—A. I did not make that error.

Q. Who made it?—A. I was informed of it by Mr. Maclachlan's brother at the end of the month.

Mr. Pringle objected to hearsay evidence being admitted.

Q. Now in that statement which you furnished you had—A. 5,105 yards at 50 per cent.

Q. Was that correct?—A. It was, but it did not appear the same as rendered by the District Engineer.

Q. What did it appear as in that estimate?—A. 3,505 yards, I believe.

Q. That is the amount you had less 1,600?—A. Yes.

Q. Do you know how that change happened to take place?—A. I just told you that Mr. Maclachlan's brother drew my attention to it, and also drew his brother's attention to it, that is the Resident Engineer, Maclachlan, that there had been a clerical error made in Mr. Maclachlan's office and that 1,600 yards the previous month had been deducted by the clerk unknown to any one. I also know that Mr. Jamieson of Grant, Smith & Co., had all his statements for the subcontractors made out on the basis of including that 5,105 yards, and he had to change them all.

Q. Because the estimate went in with that 1,600 yards taken out?—A. Yes.

Q. Well then it seems as if the mistake was made in the engineer's office, that he did not take your figures absolutely, is not that about the size of it?—A. Well, there is a difference between my figures and the engineer's.

Q. Of 1,600 yards blasted and not removed?—A. Yes.

Q. Then according to that Mr. McDonald did not get the full amount of money that he wanted?—A. He got 3,505 yards.

Q. There were 1,600 yards taken out of that estimate?—A. No, he got 3,505 yards.

Q. Oh yes, that is correct. Where is the letter that was initialled by the Chairman this morning?—A. It is in those papers.

(Letter produced.)

*By Mr. Carvell:*

Q. I have a letter here which was initialled this morning by the Chairman, to which is attached "Copy" written by Mr. McDonald. What is that letter?—A. It is a letter from C. E. McDonald to J. L. Nelson.

*By the Chairman:*

Q. A copy of a letter?—A. Yes.

*By Mr. Carvell:*

Q. By whom written?—A. Dictated by Mr. McDonald, and I wrote it.

Q. On a typewriter?—A. Yes.

Q. Who signed it?—A. Mr. McDonald.

Q. There is a pencil mark in the upper right hand corner, the word "copy." Who put that word there?—A. Mr. McDonald.

Q. In his handwriting?—A. Yes.

Mr. CARVELL: Well Mr. Pringle, I wish to read this letter (reads):

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VICTORIA, B.C., July 28, 1915.

J. L. NELSON, Esq.,  
Superintendent, Public Works, Canada,  
Vancouver, B.C.

DEAR SIR.—If you can pick up a good clamshell dredge operator, kindly do so and send him over to me at once.

I am enclosing a copy of a letter I sent to the city of New Westminster regarding the operator they sent over with the dredge.

I am also enclosing Dominion Government's Divers report on the condition of bottom covering the area over which the drill plant has worked and I have dredged.

It will be necessary for you to be in Victoria on Saturday next to interview Mr. MacLachlan regarding this month's estimate as I understand from his conversation that he intends cutting down on this month's estimate to make up for what he claims was over measurement last month.

My balance sheet for month of July will be in shape so that you can see how we stand at the end of this month.

Mr. MacLachlan requested that you should be here on Saturday.

If you will kindly wire me I will meet you at the boat. The check from Ottawa has not arrived yet.

Yours truly,

*By Mr. Carvell:*

Q. That letter you say was sent to Mr. Nelson by McDonald?—A. Yes.

Q. Then there was some reference made this morning to what took place between you and McDonald in his office on the 15th day of October.

*By the Chairman:*

Q. Why did you write the word "copy" there?—A. I do not know. He just wrote it. When he signed the other he wrote that on it.

Q. Does he do that with all the letters and copies?—A. No, he just happened to do that.

Q. Just happened to on this letter? He says it is not his handwriting?—A. I say it is.

*By Mr. Barnard:*

Q. Was there a copy of that letter in longhand, not in typewriting, a copy of that copy?—A. I made out an original by hand.

Q. Is that there. It seems to me I have seen it.

MR. CARVELL: You can look among the documents that are on exhibit.

*By the Chairman:*

Q. Do you mean that he told you what to write and you wrote it down in longhand?—A. Yes.

Q. And then you typed it off?—A. He said: Go to the typewriter and type it off, and I did it. I cannot use the typewriter, it would take me an hour to write it.

Q. Was the letter you sent away in longhand or typewriting?—A. It was all written at the same time. That was a carbon copy.

*By Mr. Carvell:*

Q. He sent the original away?—A. This is a copy of the original that was sent. It was my carbon copy. At one and the same time two letters were written at once, in other words.

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Q. You wrote the original letter in longhand?—A. I wrote out the original in longhand, with a pencil, sitting by the table taking down what he told me to take, and I scratched out this and that, if I remember correctly, and then I went to the typewriter and typed it in duplicate.

Q. In duplicate?—A. Yes.

Q. You sent the original to Nelson and kept that as a copy?—A. Yes.

*By the Chairman:*

Q. Did he sign the original to Nelson himself?—A. Yes, sir.

*By Mr. Carvell:*

Q. Now, I want you to come down to the 15th October. I am going to go over the whole story. He says you asked him for a quarter interest in the business?—A. I did not then or any other time.

Q. He says that you told him—Mr. Chairman, I am just speaking now from memory, but I will try and be accurate—did you tell him that if he did not that you could go to the Liberal party and make as much out of it or words to that effect?—A. That is the first time I ever heard the statement. I knew so few of the Liberal party, it would be ridiculous.

Q. Did you make the statement?—A. No.

Q. He has given evidence in the court at Victoria. Were you present all the time?—A. I think I was in the room all the time.

Q. Did you ever hear him make any such statement on that occasion?—A. No, I do not think so.

Q. Did you ever hear him make any such statement as that until to-day?—A. No, to the best of my memory.

Q. Now, in the examination at Vancouver, he says you stated to him that you had influential friends who would go to Mr. Barnard? Did you say that?—A. No, I knew Mr. Barnard; I did not need any influential friends to go to Mr. Barnard.

Q. Did you tell him you would go to Mr. Barnard?—A. No.

Q. You did not?—A. No.

Q. Do you deny his whole story about that conversation regarding the quarter interest, and any threats of what you would do if he would not give it to you?—A. I did not ask him for a quarter interest, or make any threats.

Q. Did you tell him you were a contributor to the *Times* paper?—A. No, and I never was.

Q. Have you ever written an article for the *Times* newspaper?—A. No, sir.

Q. You have not attained to that dignity yet?—A. No, sir.

Q. Does your diary show what took place on the 15th day of October?—A. Pretty nearly as I remember, yes.

Q. Do you accept what Mr. Pringle read this morning?—A. I think the diary for the 15th is about right, as nearly as I can remember.

Q. Did Mr. McDonald go to Vancouver on the afternoon of the 15th or not?—A. No.

Q. When did he go?—A. On the 16th.

Q. You have already explained how these entries were made in your diary; sometimes the same day, sometimes in the evening, but anyway, immediately you found time to do it. When you went to Mr. Barnard and Mr. Green's office on the 25th and 26th days of October, did your diary contain the record up to that time exactly as it is now?—A. It contained everything, as I remember, everything up to the day I went to Mr. Barnard and Mr. Green's office.

Q. And was that diary produced to Mr. Barnard and Mr. Green at that time?—A. I had it and read it.

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Q. There is just one other matter. Mr. Green in his evidence makes the following statement (reads):—

“He admitted he had made the demand and, I think, it was in answer to a question by yourself, asking him, I think what you said to him was, ‘Would you not have gone on with your work and said nothing about this if you had got what you asked McDonald for?’ His answer was, ‘I would.’”

That is to say he represents you as stating that you would have gone on with your work and said nothing about this matter if you had got what you asked McDonald for?—A. They never asked me that question and I never answered it.

Q. Mr. Green also stated (reads):—

“We even went further than that, and discussed the question with him if he did not know that was blackmail, and that he was liable to be punished for blackmail under circumstances of that kind.”

Was that statment made?—A. Mr. Barnard used the word “blackmail” and it was used when I finished saying what had taken place in the office. Mr. Barnard was standing at the end of the table near Mr. Green, and he just turned to Mr. Green and said, “Bob, that’s blackmail.” That is all that was said about blackmail in any way, shape or form.

Q. Was he referring to your conduct as blackmail?—A. He was referring to what had taken place between these men and myself, and it was at the conclusion of my telling him what had taken place, and it was not used in any other connection or in any other way.

Q. So the term “blackmail” did not refer to you but to the other people?—A. To their actions, it did not refer to me.

Q. And it was used in reference to the other people?—A. Yes.

Q. Now, in Mr. Barnards evidence we find this: (reads)—

“Mr. Mallory distinctly stated something to the effect—I am not positive as to the exact words—that the trouble between him and McDonald was that he had asked for more money, that McDonald would not give it to him, that if he had given it to him he would not have said anything about this matter.”

A. I never made the statemēt at all.

Q. Further, Mr. Barnard said: (reads)—

“We also discussed the desirability of keeping this matter quiet, pending the investigation, on the ground that the contractors and engineers might try to cover their tracks.”

What do you say to that?—A. I will admit they wanted to keep the thing very quiet, but I was not so particular. I wanted to get these men. Whether it was kept quiet or not did not matter to me.

Mr. PRINGLE, K.C.: I suppose we had better adjourn now. When shall we meet again? It will take an hour at the next sitting for me to cross-examine Mr. Mallory.

Witness retired.

Committee adjourned until Monday evening, the 17th instant, at eight o’clock, p.m.

Mr. G. E. MALLORY.



## APPENDIX No. 1

## HOUSE OF COMMONS,

Room 301,

MONDAY, April 17, 1916.

The Committee resumed at 8.15 p.m., Mr. Blain, in the absence of the Chairman, presiding.

Mr. G. E. MALLORY, recalled and his examination resumed.

Mr. CARVELL: Before you commence your cross-examination of Mr. Mallory, Mr. Pringle, there are just two or three questions I want to ask the witness. After we adjourned, Mr. Mallory, looking over the evidence, found what he thinks is a mistake in the written transcript by which he was made to say "Yes" in answer to a question when it should have been "No."

Mr. PRINGLE, K.C.: I noticed that myself, it is evidently a mistake and I am quite willing that it should be corrected.

*By Mr. Carvell:*

Q. I want to refer to your evidence given on the 10th day of April, as recorded on page 209 of the printed evidence, and in order that I may make it perfectly clear I will go back and read you one or two questions and answers before the one to which I refer (reads):—

"Q. Was the talk before these men were there?—A. There was very little talk that morning about accounts of any description.

"Q. When was the talk about accounts?—A. About ten days previous.

"Q. You wanted a quarter interest in the contract?—A. Yes."

What do you say to that?—A. I made the answer, "No."

Q. Now if it should be that that was an error by you in giving your answer what should the correct answer be?—A. "I did not."

Q. And you still say that the answer should have been "No"—A. Yes.

Q. And you say now that it was "No."—A. Yes.

Mr. CARVELL: Then, Mr. Pringle, before you go on I want to continue the statements I was putting in before the adjournment. I have asked the witness to prepare a statement of the profits on the contract and I want him now to give a general statement of the financial transactions of the business, as he understands it, and then of course you will have the right to cross-examine him.

Mr. PRINGLE, K.C.: This is a statement taken from his memory?

Mr. CARVELL: No.

Mr. PRINGLE, K.C.: What is it taken from?

The WITNESS: The estimates.

Mr. CARVELL: It is his codification of them.

Mr. PRINGLE, K.C.: This witness has not the books and does not know what the profits were.

Mr. CARVELL: This witness is the man who had charge of the books from the beginning down to the end of the work, he has the official estimates and I submit that he has the right to give his version of the profits as he understands them from the authorities he has before him.

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The ACTING CHAIRMAN: The witness says that with the exception of a line or two at the bottom all that is in this statement has already been brought out.

Mr. PRINGLE, K.C.: I am not going to delay this examination, I have nothing to hide, if you want to put this statement in put it in, I do not care a button.

*By Mr. Carvell:*

Q. Take out the bottom line, that is a matter of estimation which I do not want in the records. Well now, Mr. Mallory, what do you say would be the total profit of Grant, Smith & Macdonnell on this work?—A. In the estimate as it stands?

Q. Yes?—A. On August 31st?

Q. Yes?—A. \$33,755.88.

Q. Now I want you to go back and give us the statement?—A. (Reads):—

	Solid Rock. \$8 10	Solid Rock. 50 per cent. \$4 55	Earth. 52c.	
Estimate as returned by Resident Engineer to Grant Smith & Co. & McDonnell under C. E. McDonald, sub-contractor, and acknowledged by Dominion Government to August 31, 1915..	13,183	5,105	26,940	\$156,841 49
Less 10 per cent retained by Government..				15,684 15
Total amount received by Grant, Smith & Co. & McDonnell..				\$141,157 34

	Solid Rock. \$7 00	Solid Rock. 50 per cent. \$3 50	Earth. 35c.	
Estimate as rendered by Grant, Smith & Co., & McDonnell to sub-contractors to August 31, 1915..	13,183	5,105	26,940	\$119,334 95
Less 10 per cent retained by Grant, Smith & Co. & McDonnell..				11,933 49
				\$107,401 46

Total full price (\$9.10) solid rock yardage as returned by Resident Engineer to August 31.. 15,735.5  
Actual solid rock yardage in contract (estimate).. 12,700.0

Total excess returned and paid for by Government to August 31, 1915..	3,035.5 at \$8.58 =	\$ 26,044 59
Leaving Grant, Smith & Co., a net profit on C. E. McDonald's sub-contract after the estimate has been corrected of..		7,711 29
Total amount of cash retained by the Government for 12,700 cubic yards solid rock estimated..		11,557 00
For 29,975.5 cubic yards earth estimated..		1,558 63
Total..		\$ 13,115 63
Leaving a balance due the Government by Grant, Smith & Co. and Macdonell..		12,928 96
Which is covered by the 10 per cent retained on other portions of the same contract.		

*By Mr. Carvell:*

Q. Why did you make the price of the "total excess" \$8.58?—A. Because they would have received 52 cents for it.

Q. Did Mr. MacLachlan give evidence as to what his total estimate of solid rock was?—A. He said it was 32,175 yards.

Q. If that estimate goes through and is paid for, what would be the result?—A. The Government would be out of pocket \$175,665.50.

Q. You said in one case as things stand now, as at the end of August—the classification is completed up to the end of August, is that right?—A. It has been acknowledged by the Government up to the end of August.

Q. As it stands then up to that date, do you say that the main contractors, Grant, Smith & Co. and Macdonell have still a profit to their credit of over \$7,000?—A. Yes.

Q. And yet it seems there are three or four thousand yards of rock which the Government have paid for which has since been taken out of the estimates?—A. They

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would be taken out of the estimate if the engineer's figures of 12,700 yards approximately are correct.

Q. Then you say that their profits on the subletting to Macdonald would be sufficient to take care of that extra payment, would it, and leave a balance of \$7,000?—A. Yes.

*By Mr. Pringle, K.C.:*

Q. You are very good at figuring, would you do a little figuring for me? According to Mr. St. Laurent's report the amount of material paid so far at rock prices is 18,164.7 yards. McDonald says that he has been paid that amount at \$7?—A. I know he has not up to the end of August.

Q. What is that?—A. He has not.

Q. How do you know more than Mr. McDonald himself?—A. 5,105 yards is not included in that, as it is 50 per cent.

Q. That is not what Mr. St. Laurent makes out. He says: "the material paid so far at rock price is 18,164.7 cubic yards."—A. That 5,105 yards is not included in that, and paid on a rock price basis.

Q. Certainly it is all paid as rock.—A. It is 2,552.2 yards at \$9.10.

Q. I do not understand that.—A. On the estimate it appears as rock, 50 per cent. You can either divide the rock yardage by two and take it full price, or take the full yardage at half price.

Q. They have only been paid the half price for the 18,000 yards?—A. No, for that portion, that 5,105 yards.

Mr. PRINGLE, K.C.: Is that correct, Mr. St. Laurent? You say: "The amount of material paid so far at rock price is 18,164.7 cubic yards."

Mr. ST. LAURENT: For material removed, \$9.10 is the price. The 50 per cent is the rock not removed yet.

Mr. PRINGLE, K.C.: It is not included?

Mr. ST. LAURENT: That would be paid a different price.

The WITNESS: I beg your pardon, it is included in it.

*By Mr. Pringle, K.C.:*

Q. Mr. St. Laurent says not?—A. It is.

Q. If you and Mr. St. Laurent disagree—you disagree on this do you?—A. No, if he looks it up, we won't disagree.

Q. You disagree now with Mr. St. Laurent's report that there has been paid for at rock price 18,164.7 yards? I prefer anyway to take Mr. St. Laurent's report for the present. Figure that out at \$7, McDonald's price:

Mr. CARVELL: Mr. St. Laurent says, "rock price." That means some rock is at one price and some at another price.

Mr. PRINGLE, K.C.: Mr. St. Laurent, you included the September figures as well, didn't you?

Mr. ST. LAURENT: I have got the statement.

Mr. PRINGLE, K.C.: Mr. St. Laurent says 18,164.7 cubic yards of solid rock were removed and paid for at \$9.10. Then there is rock blasted but not removed, 4,594.5 cubic yards. That is his statement and he ought to know. However, I will leave that point until it is adjusted and go on with my cross-examination.

*By Mr. Pringle, K.C.:*

Q. Now, Mr. Mallory, in the first place I would like to go over some matters that you and I agree on and get them out of the way. You made certain charges in

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connection with this work and these charges were all set out in your examination for discovery in Victoria. Your first charge is that C. E. McDonald, J. S. Maclachlan and J. L. Nelson were partners in the Victoria Harbour contract. Is that right?—A. I believe they were.

Q. You believe they were?—A. Yes.

Q. Your second charge was that J. L. Nelson had received part of the proceeds of the contract?—A. He did.

Q. Your third charge was in regard to Maclachlan?—A. On the strength of McDonald's telling me he had got \$2,500.

Mr. CARVELL: Which I may tell you McDonald has not denied yet.

Mr. PRINGLE, K.C.: Yes, he did deny it. Mr. Maclachlan denied it also.

*By Mr. Pringle, K.C.:*

Q. Then your further charge was over classification of the work from approximately 5,000 cubic yards of rock as shown on the original plan in the Department of Public Works to 20,000 or more cubic yards of solid rock. Now, these are your charges. Let us consider first the charge in regard to McDonald, Nelson and Maclachlan being partners, and I want you to speak absolutely of your own knowledge, not from any hearsay. Do you know that they were partners?—A. I know that Nelson was a partner.

Q. You know that Nelson was a partner, but you don't know that Maclachlan was a partner?—A. Only from what McDonald told me.

Q. You never saw a dollar given to Maclachlan?—A. No.

Q. And you never saw a dollar given to Nelson?—A. There is a receipt there (indicating the documents on file).

Q. A receipt for \$2,000. Yes. Then in so far as Maclachlan is concerned, of your own knowledge you do not know that he had any interest in this work?—A. None, other than McDonald telling me.

Q. Never mind that, do you know of your own knowledge?—A. Not first-hand knowledge.

Q. You know what your own knowledge means. You are a professional man, an engineer, and you ought to understand the English language. You do not of your own knowledge know that Maclachlan had any interest in this contract?—A. I have given the answer as clearly as I can. Only from what McDonald told me.

Q. Never mind what McDonald told you. You have no direct knowledge of your own.—A. That is the only knowledge I have, that I know of.

Q. All right, then you are going on what McDonald told you? Now, there are certain things, as I said, that we agree on—A. Oh, that is not all. I know that McDonald's account in one of his books showed Maclachlan—

Q. Showed \$1,000 for the automobile?—A. And \$2,500 besides.

Q. You could not show that in the books when Mr. McDonald was here.—A. He did not have it here.

Q. He had the books you brought here?—A. No, not all.

Q. What other book was there?—A. There was a black book we asked for and did not get.

Q. But in the accounts that you kept—A. I kept that other one too.

Q. And which were produced, that \$1,000 was not to be found?—A. I didn't notice it, I didn't look for it.

Q. Now then, you took a keen interest in this work?—A. I worked as hard as I could at it while there was work to do.

Q. And the first thing you did was to figure out the possible quantity of work?—A. Before I had anything to do with the contract.

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Q. And you made out there was about 11,000 cubic yards of rock?—A. I had that information for myself, yes.

Q. You had that information for yourself, so that when you spoke to Mr. MacLachlan about 4,300 yards of rock you knew at that time there was 11,000 yards of rock?—A. I knew it but I was not trying to change his figures in any way.

Q. But you had that knowledge, that there was 11,000 cubic yards of rock, that a serious mistake had been made by the Department, and you did not tell MacLachlan of the mistake?—A. I did not know that a serious mistake was made by the Department; that was not up to me to look into at all.

Q. Now, when you figured it up and found that there was 11,000 yards instead of 4,300 yards, didn't you come to the conclusion that somebody had made a mistake?—A. I thought they had figured it up on some different way, that is all.

Q. You thought possibly you had made an error in your figures?—A. I didn't think anything about making an error, I took my figures as right in so far as I was concerned.

Q. Then when Mr. Woolley was discussing this contract he told you that he would not send his steam drill down there for 4,300 yards, didn't he?—A. Yes.

Q. And you told him there was only 4,300?—A. I did.

Q. Why did you tell him that when you had the knowledge in your own head that there was 11,000?—A. Because I had to take the engineer's figures in talking to the sub-contractor.

Q. When Mr. Woolley stated to you, "No, nonsense, there is over 30,000 yards of rock in this work," your answer to him was, "No, there is only 4,300 yards."—A. He was as much entitled to his opinion as I was to mine.

Q. You say that your opinion was not that there were 4,300 yards, you knew there were 11,000.—A. In speaking to the sub-contractor on the matter I had to use the engineer's figures, not my own.

Q. And that is the reason you did not say to Mr. Woolley, "I have figured it out and find there are 11,000 yards."—A. 11,000 yards had nothing to do with him.

Q. 11,000 yards had nothing to do with him?—A. No.

Q. He said he would not move his plant down there for the original estimate?—A. He was figuring on 30,000 to 40,000 yards, I forget which.

Q. According to your evidence here your answer is that you said, "No," when it was suggested that there were 30,000 yards and according to Mr. Woolley's evidence your answer was, "Yes, I think it will run over 40,000."—A. No, it was not.

Q. And now you will deny that you said that to Mr. Woolley, you have denied what everybody else has said?—A. Yes, I deny it now.

Q. And Mr. Woolley stated what is untrue?—A. Yes.

Q. Absolutely?—A. Yes.

Q. Now then, let us go on to what we can agree on? We can agree on this, that the *Puget Sound* was a good, ordinary dredge?—A. It was a dredge that would do that work.

Q. And if the *Puget Sound* could not remove that material then it should have been classified as rock?—A. The *Puget Sound* did not try to remove that material.

Q. I am not asking you that, I am asking you whether if the *Puget Sound* could not remove that material it should be classified as rock?—A. If a decent effort was made and it couldn't remove it it should be classified as rock.

Q. Classified as rock?—A. Or some intermediate price.

Q. Or some intermediate price, you say?—A. Yes.

Q. The materials to be excavated are earth and rock, are they not?—A. According to the specification.

Q. And they are to be removed by two operations of ordinary dredging and blasting, and what could not be removed by ordinary dredging was to be classified

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as rock, is that right?—A. An ordinary dredge according to my own views of an ordinary dredge.

Q. Did you not say that the *Puget Sound* was an ordinary dredge?—A. Yes, it could do the work, I think.

Q. You think it could do the work?—A. Yes.

Q. Then again to come back to the point if it could not be removed by an ordinary dredge then it should be classified as rock?—A. Subject to my idea that the *Puget Sound* was able to dig it.

Q. I am not asking you that, I am asking you whether if the *Puget Sound* could dig it, I am asking you to answer a question as to the interpretation, as an engineer?—A. Well, I could only base my interpretation on my idea of a dredge.

Q. I thought you and I agreed on all this and just wanted to get it in order here in this examination. You formerly said, at least I understood it so, that you approved of that interpretation. Are you going to change that to-day?—A. My understanding in approving of it was subject to my idea of a dredge.

Q. Then do I take your answer to be that you approve of this classification. I do not care what your answer is.

Mr. CARVELL: What classification are you talking about?

Mr. PRINGLE, K.C.: This earth and rock, and what could not be removed by an ordinary dredge was to be classified as rock. I want to see if he is going to change low.

A. If you will put in "what could not be removed by the *Puget Sound*," I will say yes.

Q. All right, we will put it that way. If it could not be removed by the *Puget Sound* it was to be classified as rock. I am satisfied to put it that way, is that your answer?—A. Yes.

Q. All right, we will have it that way. You put it the other day in this way.

"Q. The *Puget Sound* would meet the requirements of that specification?—A. Yes." Now then we will agree on that. You agree that the *Puget Sound* was a good dredge?—A. Yes,

Q. Quite as good I think as the *Ajax*?—A. They claim it was better, stronger.

Q. Now then, another thing that you and I agreed on was, that the first estimate, I think it was the June estimate, that the engineer in giving an excessive quantity there did the usual thing and quite met with your approval, and that in similar instances you would not hesitate to do the same?—A. I said I would have given some rock, but I would have been careful.

Q. What you said is this, the question was asked you:—

Q. What would be considered a "great extent"?—A. Well, it is always understood by the engineer who used common sense and not too much theory, that the contractor has always a lot of unusual expenses, that he cannot expect to receive payment for a time and that is just to assist him.

Q. I take it under similar circumstances you would not hesitate to do the same?—A. Under similar circumstances for the first month I would have kept the yardage down, I might say I would have given a few hundred yards, but not much.

Q. You have no fault to find then?—A. I have no particular fault to find with that rock yardage for the first month.

Now then, you have no particular fault to find with the first estimate and we come to the second estimate. You never made any measurements with regard to the second estimate?—A. I had nothing to do with the measurements.

Q. You did not test out the figures in any way to see whether Mr. MacLachlan was right or wrong on his second estimate?—A. I had nothing to do with Mr. MacLachlan.

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Q. Now, if Mr. Maclachlan swears that the estimates, subsequent to the first estimate in which he candidly admits he allowed a liberal amount in order to assist the contractors, if he swears that the subsequent estimates were correct according to the returns from his inspectors, what would you say? Do you say that they are not computed from the returns he received from his inspectors?—A. They agree with statements that McDonald told me to take out to Maclachlan.

Q. I am not asking you about statements. I am asking you now if the subsequent estimates are figured according to the returns given to Maclachlan by his inspectors?—A. How would I know?

Q. I don't think you do know. Why don't you say: "I don't know"? Then you don't know?—A. I don't know anything about his inspectors.

Q. You are not for a moment accusing his inspectors of standing in with him and with his assistant engineer for the purpose of manufacturing estimates?—A. I don't know whether they stood in with him or not.

Q. Now, what Mr. Maclachlan has sworn to is this: that after the first estimate he allowed less on each of his estimates than the actual returns made by his inspectors. You cannot say whether that is true or not?—A. If his inspectors returned solid rock dredged in the month of July, they do not know what solid rock looks like.

Q. You would differ, in your opinion, in regard to what the inspectors have said. Now, did I understand your theory or your evidence is this: That all in excess of 12,700 yards should have been returned as earth, not rock?—A. I think so.

Q. You think so?—A. Yes, sir—that is, I said that 12,700 approximately.

Q. That this material for which McDonald paid McFee, Henry and Macdonald \$4 a yard to excavate and to drill, and paid the Pacific Dredging Co. \$1.05 to dredge, you say that should have been returned as common earth at 52 cents?—A. That is my opinion.

Mr. CARVELL: Just a minute, there is a new term arisen here this evening. I would like to get it straightened out. You are speaking of 12,700 cubic yards, I thought it was something over 13,000?

Mr. PRINGLE, K.C.: So it is, but he figures 12,700 yards in the computation he puts in. He puts it less than Mr. St. Laurent, nor does he agree with this plan that Mr. St. Laurent checked over and found there was 13,060 cubic yards.

*By Mr. Pringle, K.C.:*

Q. Now then, your first computation was 11,600 yards of solid rock?—A. Approximately.

Q. How do you come to raise it to 12,700?—A. I said, figuring it from the contractor's standpoint, I would under-estimate, because it would leave leeway for the contractor in the operations of a few thousand dollars so that if he would only break even on the work at 10,000 or 11,000 yards estimated rock quantity he would have the balance to go on.

Q. I am like the honourable member for Carleton, I never heard of this 12,700 until this statement was produced to-night.—A. The 12,700 is in the records, I took it from the records.

Q. So then, you put it below Mr. St. Laurent's figures?—A. Not below them. If Mr. St. Laurent's have more yardage more rock, Grant, Smith & Co. make \$3.58 more than that shows.

Q. I am not arguing that with you. I am asking your reason for differing from yourself first, when you put it 11,000 yards, and second from differing with Mr. St. Laurent who puts it at 13,060?—A. My approximate estimate was 10,100 yards, or something like that. But the 12,700 I took as a very fair basis from either Mr. St. Laurent's or Davy's report.

Q. I see. That is all right. I won't quarrel with you on that. You say now that

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the proper measurement is 12,700 instead of 10,100?—A. I never swore to 10,100 as a correct estimate.

Q. You swore as the best of your judgment?—A. I swore, as a very, very rough estimate.

Q. Now, why with that knowledge in your head, having figured this out, having had the knowledge that it ran 10,100 yards—and you must have had the knowledge at that time that it was 12,700—why did you make the charge of over-classification on the work from approximately 5,000 yards of solid rock as shown, and the 20,000. Why did you make that charge? Why would it not have been fair to have said the difference between 12,700 and the 20,000?—A. The basis that Maclachlan was figuring on was 4,300.

Q. I am not asking you the basis. You are making a charge here upon which an engineer was suspended, upon which large injury is accruing to the contractors, and in that charge in the Court at Victoria, you say the over-classification would run from approximately 5,000 yards. You knew at that time it was 12,700?—A. That had nothing to do with the engineer's estimate.

Q. It had something to do with the charge?—A. It was based on the engineer's estimate he was using.

Q. If there was 12,700, would not the engineer be justified in learning of it?—A. He did not know it.

Q. But he found rock didn't he?—A. He says so.

Q. He must have found the rock if you say it was there?—A. He was working on the basis of 4,300 yards.

Q. You were working on the basis of 12,700 yards, and you make this charge knowing it was 12,700, and you made the charge that it is 5,000. Take it as you like?—A. I made the charge on the basis the engineer used for figuring.

Q. Now, then, you go to Maclachlan in July or August, and you say: Maclachlan, be careful, there is only 4,300 yards of solid rock there. Did you at that time know there was 10,100 or 12,700 yards?—A. My estimate, as originally stated, was approximately 10,100.

Q. You must have known it at the time you went to Maclachlan and told him to be careful?—A. That is what I said, because I used his figures not mine.

Q. Why did you tell him to be careful when you knew there was 12,700 yards?—A. I said that he did not know.

Q. But you did know?—A. I had my own estimate, but that did not have anything to do with him.

Q. You do not think, between two professional men, that you should have told the truth to him as to what you considered the yards?—A. He could make a very different estimate of it if he had considered what I knew nothing of.

Q. Now, then, when was it you first got suspicious?—A. I don't remember.

Q. Wasn't it in July?—A. I don't remember, I think it was around the end of June.

Q. Why don't you remember when you first got suspicious?—A. The diary is there, if you give me the diary I can probably look it up.

Q. Was it in July you first got suspicious?—A. Well, I think it was about the end of June.

Q. You have told us in July the estimates began to jump and you began to think it was rather peculiar. Now, is that true?—A. All right.

Q. That is all right is it? (Witness consult diary.) Well, now, we are coming to these entries. I suppose everything contained in that diary is true?—A. Anything that is contained in this book, I can explain it and tell the truth.

Q. You can explain it and tell the truth. Now, I can see that poor McDonald started off with plenty of liabilities but no assets.—A. That is quite true.

Q. All his money had gone into the plant and for the starting of this work. He

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had plenty of liabilities and no assets, and he had borrowed money from Mr. Weeks, \$2,000. That is true, is it?—A. I think he borrowed \$3,000.

Q. He borrowed \$2,000 at first, and \$1,000 afterwards, \$3,000, and he borrowed it at three months, did he not?—A. I don't remember.

Q. You commenced working when? On the 1st of June?—A. As nearly as I remember I commenced working on the actual work I think about the 10th of June.

Q. And on the 14th you made up your mind to keep watch on these fellows?—A. Well, I don't know that I kept any particular watch on them.

Q. You started in to keep a diary. If not about the work, it was about every time McDonald talked to anybody, or wrote a letter or did anything about the 14th of June. That is right, isn't it?—A. I have a note in here (indicating diary) on the 14th June.

Q. Then that is when you started your diary, on the 14th day of June. That is correct isn't it?—A. (After consulting diary.) My first note is on 14th June.

Q. Somebody tells the old yarn, "Meet me at the Club and I will fix you up." That is the fellow he was trying to borrow the money from, was it not, to help along with the work?—A. It is the man Nelson was trying—

Q. What is there suspicious about that?—A. Nelson was an employee of the Department of Public Works, and was trying to raise money for a contractor.

Q. It was not Nelson at all.—A. Nelson is the man whose influence was used to try to raise it.

Q. Your diary does not mention Nelson's name at all.—A. I will explain the diary.

Q. Please answer my question, and you can give us your explanation afterwards. I say the diary does not mention Nelson's name at all.—A. Not on that particular page, nor McDonald's either.

Q. Nor McDonald's either?—A. Yes, it does mention McDonald's.

Q. Where does it mention McDonald?—A. (Reading from diary) Mac, M-a-c.

Q. Camsusu tells Mac the old yarn "Meet me at the Club and I will fix you up"?—A. Yes.

Q. There was something suspicious about that and you thought you ought to get it down in the diary?—A. I thought it was not a proper thing for Nelson to be trying to raise money for McDonald the contractor.

Q. And you started right then on the 14th June with suspicion in your mind that there was something crooked?—A. Absolutely nothing in connection with the classification.

Q. What is that you say?—A. Nothing in connection with the classification.

Q. Nothing in connection with the classification?—A. No.

Q. You had a suspicion of something or you would not have started a diary?—

A. I had an idea it was not the proper thing for Mr. Nelson to finance McDonald, a Government contractor.

Q. I see. You wanted to watch where McDonald got his money. He did not get it from Mr. Nelson, did he?—A. From whom?

Q. From Nelson?—A. He got it by Nelson's influence with another man.

Q. What influence had Nelson with Weeks?—A. Well, I understand that McDonald never went to the man Weeks until Nelson raised money for him.

Q. You understand that?—A. Yes, sir.

Q. Now then, on June 15th there were plenty of liabilities but no assets?—A. He did not raise any money.

Q. What were his liabilities if he did not raise any money?—A. Well he had the—I believe he had the dredge arranged for and quite a few other bills to meet.

Q. Quite a few other bills to meet?—A. Yes, sir.

Q. Then, on the 16th of June he gets this \$2,000 from Weeks?—A. I think so.

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Q. In going through the whole of this diary of yours there seems from the 1st of June, or from the 1st July to 27th July, nothing doing. Is that correct, was not the work going on at that time?—A. Yes, the work was going on.

Q. But there was nothing in those days that you wanted to put down? We will get over to August 17, when you state "the dredge *Puget Sound* started to work this morning at 6 a.m. The dredge is doing fairly well". Now, as a matter of fact, the *Puget Sound* was not doing any better than the *Lee*?—A. I told you in my explanation that I went out and asked them what they were doing, and they said "Just getting her lined up". I thought they had been digging.

Q. Now, on the 16th you gave us all that about getting her lined up.—A. No, she came in that day and they started to replace the spud. They never dug at all on the 16th.

Q. You have already sworn that what you did was to put down on a slip of paper what occurred to you each day. Then you subsequently transcribed the slip into this diary of yours. That is what you have already sworn to, is that correct or is it not?—A. Well, I did it the best I could.

Q. Then you put down on this slip of paper a statement with regard to the *Puget Sound*, and she was doing no better than the *Lee*?—A. As I told you.

Q. Now, which is correct—I don't care how you explain it—the original record which you put down and in which you say in your own handwriting that the *Puget Sound* is doing better than the *Lee*, or the statement in your diary that she is doing fairly well?—A. Both.

Q. Both are correct?—A. Yes.

Q. How do you make out that both are correct?—A. Because she was doing fairly well, and she was doing no better than the *Lee*, because I went out and found out afterwards that they were only getting the machine lined up.

Q. They were not digging?—A. They were not attempting to do a day's work.

Q. They were not attempting to do a day's work. Then why did you put in this statement "The dredge is doing fairly well"?—A. Because they had lowered the dipper and I saw the dipper come up.

Q. You have just told us that they were getting her lined up and she had not done any work and then you tell us that she was doing fairly well.—A. I never made any statement like that at all.

Q. Yes, you did.—A. No, sir, I didn't.

Mr. PRINGLE, K.C.: I would ask the stenographer to read his notes.

The WITNESS: When you say digging, she was not trying to do regular work.

(Notes read by stenographer.)

Q. Well now, take August 18th, she was digging on August 18th, wasn't she?—A. On August 18th she was digging on Section 1 if I remember correctly.

Q. And on August 18th at 10 a.m.—A. I said that note is misdated.

Q. This note is intended for August 17th, is it not?—A. Yes.

Q. You got a day ahead of time. According to your original memo on the 17th she was doing no better than the *Lee*.—A. I gave the reasons.

Q. I understand that, but according to your original entry the *Puget Sound* was doing no better than the *Lee* on August 17th?—A. Because she was not attempting to dig.

Q. Had the *Lee* been attempting to dig?—A. Yes.

Q. And they did attempt, for weeks and weeks, to dig with the *Lee*, and did not succeed with hard material?—A. The estimate shows that she did.

Q. Then why did they abandon the *Lee*? You found the *Lee* could not dig this material, you have already sworn to it?—A. That is right.

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Q. That the *Lee* could not dig the material, and on August 17th you make this original entry, and you say that the *Puget Sound* is doing no better than the *Lee*?—A. And I gave the reasons.

Q. Oh yes, it is very important it should be changed to the position you have it now.—A. You may accept that.

Q. If the *Puget Sound* could not excavate that material, according to your evidence it should be classified as rock.—A. I haven't given any evidence to that effect.

Q. You haven't?—A. No.

Q. You have already sworn that even this material could not be removed by an ordinary dredge, and that the *Puget Sound* was, in your opinion, an ordinary dredge, therefore it should be classified as rock?

Mr. CARVELL: I thought that you were, unwittingly, misquoting the specifications and that is why I sent for them. You must know, Mr. Pringle, there is no such word as that in the specification, which reads, "All material overlying the rock which can be removed with a dredge shall be considered as earth."

Mr. PRINGLE, K.C.: Read the first part.

Mr. CARVELL: (Reads) "The materials to be excavated, consist of earth and rock which shall be removed separately by two operations of ordinary dredging and blasting."

Mr. PRINGLE, K.C.: Yes, well then, now read Section 6 of your contract which says that in order to construe the contract you have to read it altogether, and you want also to read the other clause of your contract which says in regard to all plant which comes on the work it has to be subject to the approval of the engineer, and the engineer approved of the *Puget Sound*.

Mr. CARVELL: That does not make it an ordinary or an extraordinary dredge.

Mr. PRINGLE, K.C.: Mr. Valiquet has sworn that if it cannot be removed by an ordinary dredge it should be classified as rock.

Mr. CARVELL: Mr. Valiquet says that the *Puget Sound* is an ordinary dredge, and Mr. Mallory has sworn to the same thing, and further Mr. Mallory says the *Puget Sound* could remove that material.

Mr. PRINGLE, K.C.: All the other witnesses say that it could not remove that material.

Mr. CARVELL: He says that with an honest trial it could remove this material.

Mr. PRINGLE, K.C.: And even Mr. St. Laurent admits that it is not to be an extraordinary dredge.

Mr. CARVELL: I am just calling your attention to the fact that in my judgment you are misquoting the specification to the witness.

Mr. PRINGLE, K.C.: In my judgment I am not.

By Mr. Pringle, K.C.:

Q. Now, Mr. Mallory, you never made any more comments in regard to the *Puget Sound* doing its work, did you?—A. I don't remember.

Q. That was enough, it could not do any better than the *Lee*?—A. I say that on the second day she worked, she worked behind the drill plant.

Q. Why didn't you put that in your diary?—A. It wasn't necessary.

Q. It was necessary to put down there the original memorandum that she wasn't doing any better than the *Lee*, and if you found she was improving on the *Lee* why didn't you put it in?—A. If the engineer will produce his scow reports for the month she was dredging I can tell you.

Q. We have better than the scow reports, we have the drill reports. Now, sir, you have already told us, subject to certain explanations, that every entry in your books is correct?—A. Yes.

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Q. Now, you have sworn here that this automobile belonged to the Government. I suppose you contradict the Deputy Minister of Public Works on that?—A. When I made that statement I made it on the strength of Mr. Nelson's statements to me.

Q. I see. And most of your statements have been made on the strength of somebody else's statements to you.—A. If they are, that is the way they are in the evidence.

Mr. CARVELL: Didn't the witness say he also doubted the fact that this car belonged to the Government?

Mr. PRINGLE, K.C.: I am going to call his attention to how positive he was that this automobile belonged to the Government. If he is not more truthful on this matter than on some others he cannot be relied on.

Mr. CARVELL: My recollection is that he made that statement.

*By Mr. Pringle, K.C.:*

Q. Now, we will get this automobile business, and see how positive you were about this automobile. You seemed to know all about it (reads):

"Mac says he is going to try to sell his auto to Maclachlan. This car belongs to the Department of Public Works, and I do not see how either Nelson or he can dispose of it without authority from Ottawa."

Nothing uncertain about that, "this car belongs to the Department of Public Works." So then either you or Mr. Hunter is wrong on this matter?—A. The first answer I think I gave to that question was that I had been told by Nelson before the car ever came to Victoria.

Q. Look at the book,—A. And my answer is based on the first answer I gave.

Q. I am not asking you what your answer is based on. You have already told us that these things are true subject to explanation. Look at your record for that day (reads): "This car belongs to the Department of Public Works, and I do not see how Nelson or he can dispose of it without authority from Ottawa."—A. What day?

Q. September 18, Saturday. So here, we get another gentleman you disagree with, the Deputy Minister of Public Works.—A. I do not disagree with the Deputy Minister. I gave that evidence on a statement, not a statement, but repeated explanation by Nelson that that car was given him or presented to him by the Department of Public Works for his use in connection with his Vancouver office.

Q. Nelson must have been gassing you?—A. If he was that was not my fault.

Q. Perhaps these other statements would come in the same way?—A. Any that are I will explain.

Q. Then everything went along fairly well until September 24. On September 24, you got very much dissatisfied with McDonald?—A. I had reason to be.

Q. You had reason?—A. Yes.

Q. What was your reason on September 24?—A. My reason for making that note of \$125 being too small?

Q. Yes. (Reads): "\$125 is a very small monthly salary to stand good for all the mudslinging I have put up with this week. It has been one continual knock ever since Monday." You had been dissatisfied with your salary?—A. I had mentioned my salary to McDonald before.

Q. Then if the salary had been raised you would have stood the mudslinging?—A. It does not necessarily mean that.

Q. Didn't you ask for a raise?—A. I asked for what was coming to me.

Q. Didn't you ask for \$150 a month?—A. I asked for it, I was told I would get it when I went on the work after the first month.

Q. On September 24 you thought \$125 a very small monthly salary to stand for all the mudslinging?—A. I thought I should have the \$150 that was coming to me.

Q. If you had got the \$150 you would have stood the mud slinging?—A. The

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mudslinging was from Hon. Angus McDonnell, the Pacific Dredging Co., and Woolley, in connection with the pay-rolls.

Q. And that is why you were kicking, it was not on account of the estimates?—

A. It did not have anything to do with the estimates.

Q. Up to September 24, you were satisfied with the estimates were you?—A. I did not make that statement. I said that the month of August estimate was out of reason.

Q. And yet you cannot tell us what that estimate should have been. You have never figured it out, you don't know anything about it, you say you do not know anything about dredging?—A. I know enough of these things.

Q. You told us you knew nothing of dredging, it was your first experience?—A. That is true.

Q. And that you had never before done any submarine work?—A. All my experience in connection with that work was on this contract.

Q. Then you used to have a great deal of fun with Mac?—A. What about?

Q. Oh, different things. You could get Mac up in the air, and get him to roar, could you not?—A. I think I did, once or twice.

Q. You mentioned Halkett's name to him, and you did it for the purpose of getting Mac to roar?—A. Yes.

Q. All you had to do was to mention his name and Mac would roar?—A. He did.

Q. And Halkett said there was four or five feet of hard pan over that rock?—A. He stated hard pan.

Q. Halkett was an engineer?—A. He was the man that took the soundings, I believe.

Q. But you did not agree with Halkett?—A. I agreed there was a crust.

Q. But Halkett said it is more than a crust, it is hard pan, and cannot be removed with a dredge?—A. Not to my knowledge.

Q. He did say it was hard pan?—A. All right.

Q. Would you make Mac roar when Halkett was saying this was hard pan, and he would get the rock payment for it. Would he roar at that?—A. I said that he did not want to hear of any change in classification out there because he had taken the original soundings, and knew that his work was right.

Q. But he did say there was three or four feet of hard pan over the rock?—A. That is what I have here.

Q. That is less than the quantity that has been estimated by Maclachlan, is it not?—A. He did not estimate hard pan, he estimates rock.

Q. I understand. But Halkett meant by that, material that would be classified as rock. Is that the way you understood it?—A. No, sir.

Q. You thought that would be classified as ordinary earth?—A. I went through that crust with a clam shell dredge myself.

Q. You went through it?—A. Yes, in section 1.

Q. Now then, on October 9, Mac was sore, wasn't he, and he was mad at Maclachlan?—A. Yes.

Q. Because he only allowed 7,000 cubic yards of solid rock and 5,000 yards of earth for September?—A. Yes.

Q. Now then, Mac thought they had removed more than 7,000 yards of solid rock, didn't he?—A. Well, he told me that he was going to try to raise it to 8,000.

Q. Anyway, he had that opinion that they have moved more than 7,000 yards, and Maclachlan was holding him down?—A. His opinion was that the estimate should be 8,000 yards.

Q. And Mac told you the Pacific Dredging Co. would never stand for it?

Mr. CARVELL: There is a great difference in this contract between estimates and the amount removed. They are not synonymous terms at all.

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Mr. PRINGLE, K.C.: Quite so, I think Mr. MacLachlan has explained that. I don't think he has ever allowed up to the full quantity that was removed or anything like it.

*By Mr. Pringle, K.C.:*

Q. The 15th day of October was the day you and Mac got hot. That was the day you had your real quarrel, was it not?—A. Yes.

Q. That was the day you had the real quarrel and you both got very hot. What were you hot about?—A. His refusing to give me what he said he would.

Q. His refusing to give you what he said he would?—A. Yes.

Q. Then you got hot at McDonald because he refused to give you \$150 a month?—A. Because he would not give me the \$150 he said he would from the first.

Q. Quite so, and you got hot at McDonald?—A. I did.

Q. I think myself perhaps it was unfortunate he did not give it to you, it would have saved a lot of trouble. If he was dishonest I think he would have given it to you mighty quick rather than have this trouble. Now you had a hot time?—A. Rather.

Q. Rather a hot time, and you said some hot things to McDonald and McDonald said some hot things to you?—A. Yes.

Q. He was not going to be held up by you?—A. I did not talk anything about holding up.

Q. He said he was not going to pay you what you wanted?—A. He said he would not give it to me.

Q. And you got mad?—A. A little.

Q. Then it was that you started out, for the first time, to do some talking?—A. I started out after I had asked for my cheque.

Q. On the 15th day of October, after you had started out by quarrelling with McDonald, and McDonald not being willing to pay you \$150 per month, you started out to do some talking.—A. After I had resigned.

Q. After you had resigned, and you thought Mac was getting ready to skip?—A. I did, yes.

Q. Well, he is still here.—A. I know.

Q. You marked down "Mac is getting ready to skip out."—A. That is what I thought.

Q. He left the vault door open on the 16th and you were there?—A. I was there on the 16th.

Q. And you took some papers out of the vault?—A. I don't remember of it.

Q. Did you not take some papers out of the vault on the 16th?—A. I don't remember taking any papers out of the vault.

Q. When did you gather together these papers which you took away on the 22nd?—A. I don't remember that.

Q. You don't remember that?—A. No, sir.

Q. You had them, as you have already told us, all in a bundle to take away the minute you left?—A. They were in a drawer.

Q. And you cannot tell us when you gathered those together?—A. I suppose some of them had been in there probably two months.

Q. Well now, Mr. Mallory, were not all these papers kept in the vault?—A. No, sir, they were not kept in the vault at all.

Q. They were not kept in the vault at all?—A. Not that I remember of.

Q. Did you not begin to gather these papers on the 15th October?—A. Not that I remember.

Q. Were you in the vault on the night of the 16th October?—A. No, sir.

Q. Did you not take out McDonald's bank book that night?—A. No, sir.

Q. On the 16th you had another dream about his going to skip?—A. All right.

Q. Didn't you?—A. I thought he was.

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Q. You thought he was going to skip again on the 16th?—A. I did.

Q. Did he turn up all right?—A. He is here.

Q. Yes, and he was back at his office on the 22nd?—A. Yes, I think so.

Q. You were there on that day and he phoned to you on the 18th, Monday?—A. Yes, he phoned me on Monday I think (after consulting diary). Yes.

Q. Now, we have gone over this interview of the 22nd sufficiently. You say you signed that document which is on the record and you signed it under pressure. (To Mr. McDonald) Have you the original document here, Mr. McDonald.

Mr. C. E. McDONALD: In the city, but not here.

Mr. PRINGLE, K.C.: Very well, we have the copy.

*By Mr. Pringle, K.C.:*

Q. You heard Mr. Barnard and Mr. Green give evidence?—A. Yes.

Q. And their evidence is not correct according to you?—A. I should say it is not.

Q. You disagree with Mr. St. Laurent, you disagree with Mr. Hunter, you disagree with Mr. Maclachlan, you disagree with Mr. Barnard and you disagree with Mr. Green. I would like to see some one you agree with. We may find him yet.—A. We may.

Q. And you say that what Mr. Barnard and Mr. Green have sworn to is not correct?—A. That is so, parts of it.

Q. And you are the only truthful James?—A. I don't call myself any such a name.

Q. You do not agree with Mr. St. Laurent, do you?—A. In what line?

Q. Oh, a lot of lines. You do not agree with Mr. St. Laurent when he says in his report: "After the most careful inspection of the office records and discussion with the engineers and inspectors, I must absolutely reject any suggestion of collusion or dishonesty."—A. That may be his opinion.

Q. That is not your opinion?—A. No.

Q. Consequently you don't agree with him?—A. I don't agree with him.

Q. Do you agree with him in this: "On a careful examination of the plans and test borings I find that the quantity of rock was very much under-estimated. The quantities were not taken on lines quite in accordance with the construction plans," and so on. Do you agree with that?—A. There was a change in the original quantity due to an increase in the area.

Q. Which increased the area. Do you agree with this: "For this reason, convinced of the sincerity of the engineer regarding classification, whether right or wrong, I considered it only fair to give him an opportunity to make a full written statement." Do you agree with this statement as to the sincerity of the engineer?—A. In what.

Q. In this classification?—A. No.

Q. You do not agree with that?—A. No.

Q. I think you told us once before you wanted to get his position; didn't you?—

A. Oh I understood early—well, it was in the fall of 1914, somewhere in 1914, I don't know—that Mr. Maclachlan was to resign.

Q. You applied for his position?—A. I did.

Q. You applied for his position and did not get it.—A. No. Never thought of it since.

Q. Never thought of it since?—A. No.

Q. But you have thought a lot of him since, you have thought a lot of Maclachlan since, haven't you?—A. Not very much.

Q. Not very much? Why that book of yours is full of Maclachlan full of hearsay stuff isn't it? And you are responsible for getting Mr. Maclachlan suspended?—

A. Probably.



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Q. And that was what you wanted to do, wasn't it, to get him suspended?—A. I didn't have any particular thought of Mr. Maclachlan's suspension, I was wanting to clear up the mess.

Q. And when he would not agree to the \$150 you started out to get even with him?—A. No.

Q. Why didn't you speak of it before?—A. Speak of what?

Q. This over-classification. You say you found out there was wrongdoing in July; why did you not speak of it in July and not wait until November, until after McDonald had refused you?—A. I laid the information in plenty of time.

Q. You laid it in plenty of time?—A. Yes.

Q. But you were satisfied to go on in July, August, September and up to the 22nd of October without saying anything about over-classification.—A. I would have been out on the 15th of October if I had been given my cheque or told to go.

Q. You were waiting until you got your cheque?—A. If I had been told to go I would have gone out.

Q. If you had been told to go you would have gone out?—A. Yes.

Q. Now have you any reason to say that the method of keeping track of the hard material excavated is a wrong method any more than the method by which Mr. St. Laurent has found that Mr. Maclachlan kept the record of the stone dumped in place, and which Mr. St. Laurent finds was accurately and carefully worked out and was a proper method?—A. I do not understand the question.

Q. Have you any reason to say that the method that was adopted by McFee, Henry and McDonald for keeping the quantities or getting at the quantity of hard material was not a proper method?—A. I say that the contractor has no right to keep records for the engineer for those estimates.

Q. You say that Mr. Maclachlan kept a similar record; have you fault to find with it?—A. I say that the drill, no matter how much weight was put on it, would not go through the soft material if it jammed, it would stick.

Q. Put it this way, and I will let you say it is improper if you want to, you have heard the method adopted by the resident engineer, Maclachlan, and the methods adopted by McFee, Henry and McDonald of keeping track of the quantity of hard material excavated. Do you think it is an improper method? I do not care what you say.—A. The method may be all right but you can gain wrong results from it.

Q. I am not asking you what you are going to get from it but is it a method which is right or which is wrong?—A. I say the method is all right, but wrong results can be gotten from it.

Q. Then the method adopted by Maclachlan and by McFee, Henry and McDonald for keeping track of the hard material removed is, you say, all right?—A. And I say wrong results can be gotten from it.

Q. But the method is all right?—A. If the drill is actually pushed down to the rock it is all right.

Q. Now then do you agree with this that excepting in the month of June, and we have got away from the month of June, the amount certified is beneath the actual amount of work done?—A. I do not agree with it as far as the solid rock is concerned.

Q. All right, you do not agree with it, and you do not agree with Mr. St. Laurent as to the engineer's sincerity, if there is any mistake, of course, that is a different thing. You know that these contractors were by far the lowest tenderers?—A. I don't know anything of them in that way.

Q. Now then let us come to these slips. Mr. St. Laurent, have you that right, or has the department really paid for 18,164 cubic yards. I would like you to convince the witness on that point because I want him to make some computation.

MR. G. E. MALLORY.



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Mr. CARVELL: The witness was talking about conditions at the end of August, but Mr. St. Laurent made a statement up to the time the estimates were stopped to the end of September.

Mr. ST. LAURENT: My statement was to the time the estimates were stopped, to the end of September. At the end of September we had paid for rock removed 18,164.7 cubic yards at \$9.10. That is up to the end of September.

Mr. PRINGLE, K.C.: Is the September estimate paid?

Mr. CARVELL: And have you paid for any rock blasted but not removed?

Mr. ST. LAURENT: Blasted but not removed 4,594.5 cubic yards at \$4.55. Instead of taking off 10 per cent from the amounts we take it off the yardage, that is why the 18,164 and the 4,594 appear as 20,000 odd yards in the estimate.

Mr. CARVELL: You have taken 10 per cent off the yardage and not off the money.

Mr. ST. LAURENT: From the yardage and not from the money, it comes to just the same.

Mr. PRINGLE, K.C.: Now let us take that 18,164.7 yards, that has been paid, and everything that has been received by the contractors has been paid to the sub-contractors, I understand?—A. I do not know.

Q. Well, assuming that to be correct, and Mr. McDonald verifies it, then the amount that is held back by the Government is the difference between the 13,060 yards which is paid and the total amount which you have mentioned? The difference is this 5,104 yards we paid for at the rate of \$7 a yard to the sub-contractors, and which the Government is holding back from us.

Mr. CARVELL: I do not so understand it. I thought Mr. St. Laurent said they had paid that 18,164 yards in full.

Mr. PRINGLE, K.C.: So they did, to Grant, Smith and Co. and Macdonnell Limited, and Grant, Smith & Co., and Macdonnell being bound in their contract to pay their sub-contractors as soon as they got their estimates, they did so. The consequence is that the Government are now only allowing 13,060 yards and we have paid for the 5,104 yards to the sub-contractors, on which, if the sub-contractors are not worth it, and the Government deprive us of it, we lose \$35,000, that is the situation.

*By Mr. Pringle, K.C.:*

Q. Now, Mr. Mallory, I am going to ask you one or two questions, and then I am through. These figures that you have given us you have given us from memory?—A. I have taken them from the estimates to August 31.

Q. But the disbursements, any expenses of the contractors, you have taken from memory?—A. I have not taken any expenses at all.

Q. In assuming the profit to Grant, Smith & Co., and Macdonnell, you have not taken into consideration any of their overhead expenses?—A. They would be a couple of bookkeepers.

Q. You have not taken anything of that sort into consideration?—A. They have not any plant on the work.

Q. I am not asking you that? You did not take into consideration any overhead expenses?—A. No.

*By Mr. Carvell:*

Q. You stated in your diary, I think early in June, that there were liabilities on the part of McDonald. Do you happen to know whether McDonald had any liabilities with this Camsusu or the firm with which he was connected?—A. He was buying from them cable, etc., on account.

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Q. Approximately would it be a few dollars, or hundreds of dollars, or give me somewhere near the amount?—A. I should say, up to the end of July, it would probably be \$200 or \$300 or more.

Q. \$200 or \$300?—A. Yes.

Q. What was the firm with which Camsusu was connected?—A. P. McQuade & Company.

Q. What is their business?—A. Ship chandlers.

Q. We have had some discussion here about the specification and I am not going to read that again, because I have already read it to the Committee. But do you know whether they made an attempt to remove what they called the hard material with the *Puget Sound* dredge?—A. I watched the *Puget Sound* until she went to digging the material behind or that had been blasted by the drill plant.

Q. Yes.—A. And the only time that it operated was when they were getting the machinery lined up, and had lowered the dipper. This accounts for the fact then that this diary shows an entry that does not agree with the slip, and the day after that it moved to section 1 and commenced digging behind the drill plant.

Q. Was there any attempt from that day to the end of the work when they tried to dig this hard material with the *Puget Sound*, which had not been blasted?—A. The *Puget Sound* followed the drill plant until it caught up to it in Section 3, from then on.

Q. When it came to Section 3, did they attempt to remove any of this hard material that had not been blasted?—A. Section 3 was nearly all the material that they called conglomerate, and half or a quarter of the rock area was drilled when the dredge started there.

Q. Did they attempt to do any dredging with the *Puget Sound* in Section 3 in material which had not been blasted?—A. With that one exception on that date.

Q. I am excluding the date you have spoken of?—A. No.

Q. They did not?—A. No.

*By Mr. Barnard:*

Q. Were you ever in Dawson City?—A. No, sir.

Q. Never?—A. No, sir.

Witness retired.

Mr. C. E. McDONALD recalled and further examined.

*By Mr. Carvell:*

Q. Mr. McDonald, I have a few questions I want to ask you about this sister of yours. Will you tell me first, where you were born?—A. In Glengarry, Ontario.

Q. In what portion of Glengarry?—A. North Lancaster.

Q. Would that be the name of the township or village?—A. The township of Lancaster.

Q. And the village?—A. It was not in the village, it was the country, the farm.

Q. Can you tell me the range or anything more accurate?—A. Lot 31, in the 5th concession of Glengarry.

Q. That is quite accurate. Who was your father?—A. Donald J. McDonald.

Q. How many brothers and sisters did you have?—A. Two brothers.

Q. Their names?—A. John and Donald Duncan.

Q. How many sisters?—A. Five.

Q. Their names?—A. Mary Ann, Sarah, Catherine, Catherine Ellen and Flora.

Q. Where does your sister Catherine live?—A. Seattle.

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Q. How long has she lived there?—A. She has been on the Coast I think since 1889.

Q. Is she married or single?—A. She is single.

Q. Now, you will remember that the Chairman asked you some questions about that receipt on Friday evening. Do you now state that that receipt was signed by your sister?—A. Yes, sir.

Q. Have you the receipt with you?—A. Not here.

Q. Where is it?—A. It is in the city.

Q. Well, I think, Mr. McDonald, we will have to ask you to produce it here again before you leave. Now, did you have any business transactions with Camsusu other than what you have already described or what have been described here?—A. Well, I had business with his company, I bought some goods from him.

Q. Practically how much?—A. Well, I could not say how much.

Q. Oh, well, I am speaking now very generally, but would it be as much as a thousand dollars?—A. Well, I believe it ran pretty close to a thousand.

Q. It consisted of ordinary supplies for your dredges, tugs and scows, things of that kind?—A. Yes. He was associated with a firm of the name of J. G. McQuade & Company.

Q. Did you get any money from Camsusu?—A. Never.

Q. You were endeavouring to get an advance from him, weren't you?—A. He offered to furnish some money, yes.

Q. Did he offer to you direct, or through the agency of Mr. Nelson?—A. He offered it to me direct in the Empress Hotel, Victoria.

Q. Did you give him a note?—A. Yes.

Q. For how much?—A. Well, whatever the amount was, I think it was \$3,000.

Q. I think that is right. By whom was that note signed?—A. It was signed by me.

Q. Anybody else?—A. Nelson went on it.

Q. Anybody else?—A. No, not that I know of, that is all.

Q. Was the note ever used, do you know?—A. Never used, because I did not get the money.

Q. Did you ever get the note back?—A. Oh, yes.

Q. Now, did you give him another note?—A. Only one note.

Q. Where is the note now?—A. I guess it has been destroyed as far as I know.

Mr. PRINGLE, K.C.: What is that, the Weeks' note?

Mr. CARVELL: No, the Camsusu note.

*By Mr. Carvell:*

Q. Don't you think that you sent him two notes?—A. I did not send him no two notes.

Q. Didn't you state in your evidence in Vancouver that you had sent him two notes?—A. I don't think so, to the best of my memory.

Q. One filled out and one in blank?—A. No, sir.

Q. I want to refer you to page 7 of your evidence taken in Victoria. It is to be found at page 7 and I will begin at question 49. (Reads).

"Q. In connection with the transaction with Camsusa Nelson was to back your note, was he not?—A. I suppose he would, if it was necessary.

"50. Q. I see a letter on the 28th May, 1915, addressed 'Dear Mac' and signed 'Jack'. That I suppose is Mr. Nelson, is it?—A. Yes, that is Nelson.

"51. Q. In that he says: 'I am enclosing you two notes, one made out and the other blank, properly endorsed on the back. You can use whichever is best and bring the other one back to me. Hope everything is all right. Must get busy or we will lose the dredge. Yours, Jack'. And there were two notes en-

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dorsed by him that were sent to you to enable you to finance this contract?—  
A. Yes, he was going to help me, yes.”

Did you give that evidence in Victoria?—A. Yes, sir, I believe I did.

Q. And there were two notes?—A. Well, you asked me if I gave two notes to Camsusu, you see.

Q. Then I will change it: Did Nelson send you two notes endorsed by himself?—A. Yes, sir.

Q. Were either of these notes endorsed or signed by any other person?—A. Besides Nelson?

Q. And yourself?—A. No, not to the best of my memory. I am pretty sure of that.

Q. I will ask you straight now: Did Mr. Maclachlan ever sign or endorse either of these notes?—A. Oh my gracious no, nothing of the kind.

Mr. CARVELL: Well, Mr. Chairman, I would like that Mr. McDonald should not leave the city until I have a chance to investigate this thing a little further. I cannot state what my information is, but I have very good reason for asking this question. (To the witness). Please also produce the receipt next time you come.

*By Mr. Pringle, K.C.:*

Q. Mr. Carvell stated at the beginning of my cross-examination of Mr. Mallory that you had not denied certain charges made by Mallory. Mr. Mallory made the charge that you were in partnership with J. S. Maclachlan and J. L. Nelson. Is there any truth in that?—A. No, there is no truth in that.

Q. He also charged that J. L. Nelson had received part of the proceeds of the contract. There is no truth in that?—A. No truth in that.

Q. Other than lending him \$2,000?—A. Yes.

Q. You have already sworn you never gave a dollar to Mr. Maclachlan?—A. Yes, sir.

Witness retired.

Mr. PRINGLE, K.C. Preliminary to calling Mr. Patterson, I would like to ask Mr. Maclachlan a question or two in order to lay a foundation.

Mr. J. S. MACLACHLAN recalled and further examined.

*By Mr. Pringle, K.C.:*

Q. I notice in Mr. St. Laurent's report these figures. I want to know if they are correct. The actual amount calculated from the plans 4,815 cubic yards for June and July?—A. Before answering that question I would like to refer to the estimates. The Auditor General has them here.

Q. Your certificate says 4,783 cubic yards. A. For the month of June, is it?

Q. June and July, two months. A. I deducted the amount I over-classified for the month of June from the sum total for the month of July.

Q. The approximate amount of work done for the months of June and July calculated from the plans was 4,815 cubic yards?—A. As far as I remember, yes. If I gave those figures to Mr. St. Laurent they were my own figures calculated from my plan.

Q. These are not Mr. St. Laurent's figures, they are your figures given to Mr. St. Laurent. A. If they are the figures sent to Mr. St. Laurent I will guarantee they are right.

Mr. J. S. MACLACHLAN.



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Q. Well, Mr. St. Laurent says these figures are right if you sent the right figures. A. I certainly did.

Q. Are these the right figures?—A. If they are the figures I sent to Mr. St. Laurent they are right.

Mr. ST. LAURENT: They were sent in a letter written to me.

*By Mr. Pringle, K.C.:*

Q. Are you prepared to say whether they are right or wrong?—A. If they are the figures sent by me to Mr. St. Laurent I guarantee they are right. I cannot remember exactly from memory.

Q. Will you figure up for me the total quantities? There were 4,815 cubic yards for June and July; there were 17,637 cubic yards for the month of August; and for September, 13,505.

Mr. CARVELL: Are those the total quantities?

.. ..

Mr. PRINGLE, K.C.: These are the totals.

*By Mr. Pringle, K.C.:*

Q. That will make a total of 35,957 yards, is that right?—A. Yes.

Q. Now then you make a total of 35,957 cubic yards of rock. Now then what estimates did you put in?—A. For the month of September 31,940 yards of earth and 20,182 yards of rock.

Q. Now do not let us get mixed up with the earth, it is the rock I am asking you about?—A. 20,183 yards of rock.

Q. And the August month is—for June and July you allowed how much? 4,783?—A. In the month of June I allowed 864 yards of rock.

Q. What did you allow in July?—A. For the month of July I allowed 3,183 yards of rock.

Q. That is 4,047 yards of rock?—A. Now in addition to that I allowed 1,600 yards of rock 50 per cent blasted but not paid for in full.

Q. How does that work out?—A. I allowed 50 per cent on that for value.

Q. For value, that is you would allow 800 yards?—A. Yes.

Mr. CARVELL: You will get wrong results from that calculation, Mr. Pringle.

Mr. PRINGLE, K.C.: Well, I want to see if I can work out this total.

*By Mr. Pringle, K.C.:*

Q. You say that you certify for these two months here 4,847 cubic yards, is that right?—A. That is right.

Q. Then work it out and show us how it is right?—A. 864 yards in the month of June, I allowed in the month of July 3,183 yards, and half value of 1,600 yards, that is 800 yards.

Q. And that sums up 4,847 yards, is that what you allowed?—A. Yes.

Q. Well then, what did you allow for the month of July?—A. For the month of August I allowed 20,183 yards of rock.

*By Mr. Carvell:*

Q. That is the total?—A. The total up to that date.

*By Mr. Pringle, K.C.:*

Q. That is the total up to that time?—A. Yes.

Q. What did you allow for the month of August?—A. You will subtract from that the previous month.

Q. Now for the month of August, what did you allow for that month?—A. Up till the month of September I allowed 25,288 yards.

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Q. Up till the month of September you allowed how much?—A. 25,288 yards, that is including the amount I had only allowed 50 per cent on.

Q. What will it be up to the first of October?—A. There was nothing at all for the month of October.

Q. I mean for the month of September?—A. There was no estimate sent in in the month of September at all.

Q. Then you have the margin of safety of how many yards?—A. I never figured out that, but I was very much on the safe side.

Q. Can't you figure it out? You say the total measurements was 35,957, now what did you pay in your estimates for October?—A. For October I included 25,288 yards of rock, sum total.

Q. All right, you have plenty of margin for safety.

Mr. CARVELL: Where did you get those figures, I thought the figures were 32,157 yards of rock. What does that represent?—A. The total amount to be dredged and bored.

Q. It was all bored and dredged?—A. It was all bored but not dredged.

Q. There is some portion not dredged yet?—A. There is some portion not dredged yet, the sum total is 25,288 yards of rock or hard material rather.

Q. That is all removed?—A. No, I would not guarantee that. These are only progress estimates. I mean that the sum total of the yardage was approximately 32,000 yards.

Mr. CARVELL: That is all the rock?—A. All the hard material.

*By Mr. Pringle, K.C.:*

Q. Why did you give me a total of 35,197 yards?—A. I gave you 32,000 yards of hard material, approximately, but that quantity has not been removed yet according to my idea.

The ACTING CHAIRMAN: Where did you get that 35,000 from, the three items?

Mr. PRINGLE, K.C.: Yes.

Mr. CARVELL: That is what I told him would happen if he were taking those items.—A. The sum total of the hard material moved is 32,000 yards, and I have only certified up to the end of October to 25,288 yards, I am on the safe side by 7,000 yards. These are only progress estimates.

*By Mr. Carvell:*

Q. Just one question, Mr. MacLachlan; did you ever, at any time during the progress of this work, or even before it was entered on, in the month of May or June, either sign or endorse a note with McDonald, Nelson, or Camsusu?—A. Never, sir, did not know anything at all of the kind.

Witness retired.

Mr. FRANK E. PATTERSON, called, sworn and examined.

*By Mr. Pringle, K.C.:*

Q. You are a civil engineer, Mr. Patterson?—A. Yes.

Q. Are you a member of the Canadian Association of Civil Engineers?—A. Yes.

Q. How many years experience have you had in engineering?—A. Sixteen.

Q. Have you done any submarine work?—A. I have been assistant engineer on dredge work for four years on canals.

Q. Had you anything to do with the work on the St. Lawrence at the Galops?—A. Yes, I was on that for four years.

Mr. F. E. PATTERSON.

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Q. I suppose that is the greatest piece of submarine work we ever had. Now, you have looked through the method adopted by Resident Engineer Maclachlan—I am not asking you to say whether his data is correct or not—is that the method usually adopted for arriving at a classification?—A. I could not tell you that, just now. I do not know anything about that. That is probably the method he used. The only thing I did was check up these figures from the records to the plans, and then on the cross-sections.

Q. You have checked up the figures from the records to the plans, and the cross-sections? What do you find the total amount of hard material removed is?—A. Well, from these sheets of cross-sections which are here, taking out the cross-section areas by a plinometer, and without any check of their accuracy as records, I find the quantity 32,417 yards. When I say I checked, I checked only 50 sheets of the blue print records, that is the inspector's records to the resident engineer. I checked about five sections from the plans to the cross-sections.

Q. Would there be any possibility of the engineer giving fraudulent estimates from those records unless the inspectors and his assistant engineer and all were in collusion?—A. No, I think they would be all in collusion if the records were wrong.

Q. Now, I did not ask you to go through all these records, because it would have taken a matter of two or three weeks, but you did check up a large number of the records?—A. I checked up approximately 50 sheets. I considered it was three different operations, checking from the blue prints to the plans, and then from the plans to the cross-sections, and then taking out the cross-sectional areas. I had to stop after that, because I had not time.

Q. The 50 sheets you did examine you found to be all right?—A. I found a little discrepancy here and there, but nothing to warrant anything.

Q. You found them approximately right?—A. Some were errors copied by the inspectors.

Q. You say if the engineer wanted to give fraudulent estimates, and he was arriving at his quantities in this method, then the inspectors and everyone else would have to be in collusion with him?—A. I think so.

*By Mr. Carvell:*

Q. Mr. Patterson, of course, you have no knowledge as to how near the rock or hard material was to the surface from that data?—A. I have nothing but the data supplied to me.

Q. You have figured up the plans from the data given you, and if the data was correct it amounts to 32,417 yards?—A. Yes.

Q. And you do not know whether they started on what they call solid rock at the right point or not?—A. No, I took the sections as I found them, I took the quantity as shown on the sections.

Q. I suppose it is quite likely that Maclachlan could figure those quantities as well as you could?—A. Yes, anybody who has done so could do it. I did them by the plinometer.

Q. You did not figure that area?—A. Of the cross-sections, yes, I took out a total quantity.

Q. If Maclachlan commenced figuring the rock at two, three, four or five feet nearer the surface than he should have done, then these results are wrong just to that extent?—A. Certainly.

Q. What experience did you have, what is your position on the dredging work that you have referred to?—A. I was the senior assistant engineer on the Cardinal section of the Galops canal for four years.

Q. What material were you dredging?—A. We were dredging earth.

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Q. Altogether?—A. Oh, we had about six or seven thousand yards of rock in one of the centre sections.

Q. And how much earth?—A. I do not know exactly just now, it is quite a few years ago, but it was a \$2,000,000 contract.

Q. An enormous quantity of earth?—A. Over a million yards, I think, we had five dredges there at one time.

Q. When you were drilling for the rock?—A. We did not drill.

Q. How did you remove the rock?—A. Took it out dry.

Q. You had dredges of sufficient power?—A. We had a dam up at the head.

Q. It was dry work?—A. The rock was dry work. The contract for the rock was dry.

Q. That is like ordinary railway excavation work?—A. We had a dam. We had five dredges cleaning it afterwards. Everything over a quarter of a yard was returned as solid rock. Those returns were put in to me.

Q. The amount of rock would depend entirely upon your specifications?—A. Everything over a quarter of a yard was returned as rock.

Q. Outside of the material, did you include any classified material, or was it all solid rock?—A. Oh, I do not remember those specifications just now. It is quite a while ago, it would depend on the specification entirely.

Q. It was not submarine work?—A. The dredging was not.

Q. In rock?—A. No, we took it dry.

Q. All of this material which has been returned as rock in this Victoria work was submarine work?—A. Yes, I understand so.

Q. Well, you have not been in the Committee, I may tell you that the method adopted was, the drill was dropped down until it stopped, and from that point it was called rock or conglomerate. But from that point the resident engineer made a deduction in some cases of one foot and in some cases of two feet and in some cases as high as six feet. But you had no work like that on the classified material to which you refer?—A. No.

Witness retired.

Mr. PRINGLE, K.C. : There is a question I forgot to ask Mr. MacLachlan, and I think Mr. Davy and he agree on it.

Mr. J. S. MACLACHLAN recalled and further examined.

*By Mr. Pringle, K.C. :*

Q. Mr. MacLachlan, you made an estimate of the quantity that you allowed for certain days in August on which there was some question about the drilling referred to by Mr. Davy. Do you know the total quantity allowed for those days?—A. In August I allowed, accounting for the deductions, about 400 yards of the material that the contractors were paid for. For the month of August in Mr. Davy's report, you asked me to find out the quantity of material excavated in those months.

Q. In those days.—A. The amounts allowed, allowing for deductions, were a sum total of 400 yards.

Mr. PRINGLE, K.C. : Have you worked it out, Mr. Davy, do you agree with that?

Mr. DAVY : It is in the middle slip after deducting 6 feet, August 6th and 9th.

*By Mr. Pringle, K.C. :*

Q. Was it the first two days?—A. And the 10th.

Q. The total quantity you allowed for those three days was 400 yards. You must have made very large deductions?—A. I allowed in some places, I think, 84 per cent deductions from the contractors.

Mr. J. S. MACLACHLAN.



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*By Mr. Barnard:*

Q. You deducted 84 per cent of their estimate?—A. That they should have been paid for according to their idea.

Mr. PRINGLE, K.C.: You only allowed 400 yards.

Witness retired.

Mr. DAVY recalled and further examined.

*By Mr. Carvell:*

Q. I understand you are the engineer who made the original borings for this work?—A. Yes, sir.

Q. Have you made a computation of the material bored or drilled during the 6th, 9th, 10th, 11th, 12th and 13th days of August, the 1st and 2nd days of September, being days which you gave in your former statement?—A. Yes, those are the dates I gave.

Q. The statement was put in on the 22nd of March. Now, what have you found?—A. On which date?

Q. Take them day by day.—A. I did not separate them daily, I separated the middle slip and the west slip.

Q. What days did they work in the middle slip of those which I have mentioned?—A. They worked on the 6th, a.m., and p.m., and on the 9th, a.m., and p.m., and on the 10th, a.m.

Q. That would be two days and a half. What did you find?—A. I found after deducting the six feet that were deducted in the middle slip, four hundred and some odd yards, I don't remember exactly.

Q. Could you give the figures exactly?—A. No, I have not that information, I cannot give it exactly.

Q. Then 400 yards at \$4 a yard, which the contractors received for drilling would be \$1,600?—A. \$1,600.

Q. For the two and a half day's work? Did you make the computation as to the quantity drilled on the afternoon of the 10th?—A. No, I didn't work that one out. That afternoon they were just looking for rock round there. If you notice in this column here (indicating) Column No. 7, you will see that there were 12 moves of the drill. They were going round looking for rock to go on.

Q. Get down to the 11th, 12th and 13th, where were they working those three days?—A. In the middle slip down to September 2nd, a.m.

Q. That would be the 11th was a.m., the 12th, a.m., and p.m., and the 13th a.m., that would be two full days there. September 1st, with a full day, would be three. September 2nd, with another full day would be four—four days. What quantity did you find was drilled in these four days with such deductions as were made?—A. 4,700 yards.

Q. Figure that out at \$4 a yard.—A. That is \$18,800. \$18,800 earned in four days in drilling alone?—A. Yes, sir.

Mr. CARVELL: That was going some, was it not?

Mr. PRINGLE, K.C.: There were lots of days when they were working in very hard rock and earned very little.

*By Mr. Carvell:*

Q. Now let us go back to the investigation made by you and Mr. St. Laurent in the month of January last. I want you to tell me just exactly what was done from the time you landed in Victoria until you left, as nearly as you can remember?

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A Well, the first thing we did was to rig up the test boring outfit to make some official test borings.

Q. That was the first thing, and I think you have described that already?—A. Yes, that has been described.

Q. And the result was that you verified your original data?—A. Yes, sir.

Q. Where did you apply this test. You could not do it in the excavated area because that was all done?—A. Around the edge of the contract lines and outside the toe of the rock slope.

Q. Did you go sufficiently into it in detail to satisfy yourself the original data was correct?—A. Yes, sir.

Q. Go on, what else did you do?—A. I think we tested outside along the toe of the rubble mound, a couple of borings round there, to see what the condition of the material where that dump was.

Q. What did you find?—A. I found it very soft. That was for the purpose of finding out whether this material, this rubble mound, was sinking.

Q. What did you find?—A. I found it very soft.

Q. What would that indicate?—A. That would indicate that rubble mound would sink in the material.

Q. Where did the rubble come from that was dumped out in that area?—A. I think it was brought from some quarry, a great deal of it.

Q. It was not the spoil from the dredging operations?—A. I think the rock dredging material was put in there also.

Q. If that were filled with rock the soft material would it go down under it?—A. It would sink under it.

Q. Did it sink?—A. Oh, yes, there is no doubt about it.

Q. To what extent?—A. I don't know to what extent, it is hard to tell how far it would sink, it would sink more when a greater weight gets on it.

Q. Would that rubble material sink in a bottom sufficiently hard to be classified as rock under this specification?—A. No, it certainly would not.

Q. It would not?—A. No. But that is the over-lying material. There has been no dredging outside that. That is outside of the 26 feet contour.

Q. What else did you do?—A. Then after that, Mr. St. Laurent ordered the dredge *Ajax* over on to the work, and we dredged round the contract lines and outside of the rock slope where there had been rock returned down to grade.

Q. Well, what did you find?—A. I found the material could be dredged.

Q. Did you find any material that could not be dredged excepting solid rock?—A. No.

Q. It has been stated here by some of the witnesses, I think Mr. McDonald for one, that the slopes around the edge of the dredged area in which you used the dredge *Ajax* had been shattered by the dredging operations and therefore might be removed, whereas in its original condition it could not be removed?—A. Well, at the back of the slip, we did not take it from the edge, we went away inside.

Q. How far?—A. Right through to the middle of the slip on one side, that would be about a distance of nearly 300 feet, or 250.

Q. Are you satisfied you get far enough away from the dredged area that it would not be affected by the blasting?—A. Yes.

Q. And what did you have as a result?—A. I found we could dredge everything we put the dredge into.

Q. There was no difficulty whatever?—A. Except the solid rock.

Q. Did you find any difficulty between dredging the material in that locality and the material near the edge of the cut?—A. In which locality?

Q. You say you went away some 250 or 300 feet, did you find any difficulty in dredging that material there more than you did near the edge of the cut?—A. I did not notice any.

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Q. In digging up material there at the edge of the cut, or at a distance away from the edge, did you find any material that looked to you as if it had been shattered by blasting?—A. I think once in a while we would run into some broken rock at the immediate edge of the cut, the dipper would start in it first before we moved over.

Q. That would not be the material in its natural state?—A. No.

Q. Did you find any material outside of solid rock which looked to you as if it was so hard that it could not be removed by the *Ajax*?—A. Material that looked so hard?

Q. Yes, there has been some evidence given here of material that was brought up that was cemented together, or something like that.—A. There was just that layer of packed material that existed for only two feet.

Q. You found that area of packed material?—A. Coming up at the first trial, I think, at the edge of the cut, we ran into some of it on top.

Q. What was it like?—A. It was packed material.

Q. Would you call it hardpan?—A. No, it is not hardpan.

Q. Did you have any difficulty in removing it?—A. It was harder than the other.

Q. Could you remove it?—A. Yes.

Q. Could the dredge *Ajax* have removed that with reasonable celerity under ordinary conditions?—A. Well, she did remove that.

Q. She did any way?—A. Yes.

Q. You see what I am trying to get at is the facts exactly as they are. It might be possible for a dredge to remove material, and yet it might not be able to do it economically or in the ordinary course of business, and I want to know whether she could remove this material in the ordinary way of business?—A. Not the layer of packed material which was found there. The dredge could remove it all right, but it could not do it profitably.

Q. I am not saying "profitably", could it reasonably have, as matter of business been removed by the *Ajax*?—A. I couldn't say that.

Q. Well then I will put it in another way. In your judgment should that material have been blasted before the dredge was put into it?—A. Well, I do not know whether it should have been, that all depends upon the price you are getting for it.

Q. I am not asking for the question of price at all, I am asking you could a man have gone out there in the ordinary way of business and removed that material with the *Ajax*?—A. I think the *Ajax* could remove it.

Mr. Pringle, K.C., objected that the witness should speak of facts and not give opinions.—A. I said that the *Ajax* removed it.

*By Mr. Carvell:*

Q. Now, supposing that you or any practical man who was running a dredge, once you made a hole through it, until you got a face, I suppose you were dredging there in some places from 5 to 10 feet in that material, were you not?—A. Oh, no.

Q. How much then?—A. A little over three feet.

Q. Do you mean to say there was a little over three feet of that packed material?—A. Yes.

Q. Were you going below that again?—A. No, below that was rock.

Q. Once you got a face on that packed material do you think the *Ajax* could have gone on then and removed it in the ordinary course of business?—A. Well, at that spot I know she could have removed it.

Q. That is as far as you can go. Now, there is evidence given by Mr. St. Laurent that you tested out the material in the bottom of the dredge area with the *Ajax* at that time?—A. Yes.

Q. Tell me where you tried that?—A. It was just along the edge of the slip.

Q. Which slip?—A. The West slip.

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Q. The West slip, that is where the rock would be?—A. That is where the rock would be.

Q. On that occasion you were dredging outside the line of rock?—A. Outside the line.

Q. What was the result, did you have any luck in the attempt?—A. We dredged that material out.

Q. How far down?—A. Down to about 40, or it may have been 41, I do not know exactly.

Q. There is evidence here by some of the witnesses that the material would be loosened up for some distance by the blasting operations, what do you say as to that?—A. I think it is possible.

Q. Do you think the material which you dredged at that particular point had been loosened by the blasting operations?—A. Well, I can't say that because I do not know how far off they blasted there.

Q. Well, what did the material look like to you. Describe the material which was taken out?—A. It was the same material as we found further up.

Q. Would that be the packed material?—A. No, I am not speaking of the packed material.

Q. What was it?—A. It was that same class of material.

Q. You haven't described it yet?—A. I have, when I was here before.

Q. Well, let us have it again, to have it on the record?—A. It was sand, and some stones, and once in a while a boulder in it.

Q. Would the dredge remove that whether it were blasted or not?—A. Yes.

Q. So that the blasting operations, as far as that was concerned, would not have affected the ability of the dredge to remove it?—A. No, it was not necessary.

Q. Well, then, did you do anything else?—A. No I do not think there is anything else.

Q. Now, in testing out the work with the *Ajax*, did you find any place where there was actual rock?—A. Yes.

Q. Where?—A. When we were getting up against the contract lines, we started with the rock cut and worked back from it.

Q. Did you get the bucket against any solid rock?—A. Yes.

Q. When you brought the bucket up to the level of the solid rock, did you find any difficulty in removing the material with the bucket?—A. No.

Q. At how many places did you dredge with the *Ajax* on that occasion?—A. Well, it is hard to describe it in places because we were dredging well, part of the morning and part of the afternoon and part of the night, and just moving on from one place to another.

Q. Did you cover the dredged area and the areas around it enough to satisfy you that you had made a thorough test?—A. Yes.

Q. And from your test what conclusion did you arrive at as to the amount of rock in the contract?—A. Well, you could not assume the amount of rock from that test.

Q. I say from that what conclusion did you arrive at?—A. I arrived at, that the upper material could be removed by a dredge.

Q. And that your original estimates then were all right?—A. Yes.

*By Mr. Pringle, K.C.:*

Q. You took the original borings, Mr. Davy?—A. Yes, sir.

Q. And the estimate was prepared at 4,300 yards of rock from your borings?—A. Yes.

Q. Somebody—I am not saying you—made a mistake of 8,750 yards?—A. Yes.

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Q. Who was it made that mistake in your Department?—A. Well, I do not know who made it, I think Mr. Valiquet gave evidence on that the other day.

Q. Anyway it was not your mistake?—A. No, I was away.

Q. You made the original borings, and these were 100 feet apart?—A. No, they were not.

Q. What were they?—A. They were 100, 25, 30, and sometimes 50 feet.

Q. What sort of machine did you have to take these borings?—A. For that work there, just used the ordinary test boring jet machine and driving machine.

Q. They would go through material that could not be removed by a dredge?—A. Certainly.

Q. It would go through material that could not be removed by a dredge before you would strike the solid rock?—A. Certainly.

Q. Of course, your estimate was only for solid rock?—A. Yes.

Q. And this material which your boring machine would go through, being material that could not be removed by an ordinary dredge, there was no estimate made of that?—A. No estimate made.

Q. And the material above the solid rock which your machine would go through, you did not estimate that quantity?—A. That was what was estimated.

Q. I thought you only estimated rock?—A. Rock and packed material.

Q. Does your estimate of 13,060 yards, which Mr. St. Laurent says is solid rock, does that include packed material?—A. Yes.

Q. How much packed material is there in that?—A. There seems to be about somewhere around a thousand yards.

Q. Now then, in nearly every place where you made your borings, you would go through material which was not solid rock, but which could not be removed by a dredge, would you not?—A. The machine could be used for that purpose.

Q. I am not asking you if the machine could be used for that purpose at all. I am asking you, as a matter of fact, that the machine did go through that material that could not be removed by a dredge?—A. Just through that packed material.

Q. And there was three or four feet of that packed material over the solid rock all along?—A. Not all along.

Q. You said the other day there was three or four feet of this hard pan over the surface of that rock?—A. I did not say "all along."

Q. But the inference to be drawn was that it was all along?—A. No, it was not.

Q. How many feet would you say of that hard material was there?—A. There was two or three places.

Q. Of what extent?—A. There was one place in the west slip where it was about two feet, from two inches to three feet and a quarter.

Q. And what other places was it?—A. And over in the east slip there was some just under the bulkheads.

Q. Now, then, you were asked this question the other day:

Q. From your borings?—A. That is all that was left to take the quantities from.

Q. Your borings of 100 feet apart?—A. Yes.

A. Not 100 feet apart.

Q. Why did you answer Mr. Barnard, when he asked you the question? That is what led me to believe it was 100 feet apart. He says: "Your borings of 100 feet apart," and your answer is "Yes." Do you want to change that?—A. Well, the plan will show that.

Q. Do you want to change that evidence?—A. Certainly, I will change it.

Q. You are the foundation of all this trouble, I want to find out where it is?—A. A while ago you said it was Mallory who was the foundation of the trouble.

Q. You are the foundation of Mr. St. Laurent's report, he based it on your borings. Now, then, you were asked another question: "You are making a very positive state-

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ment as to the quantity, and the result, if you are right, is that the engineer who made the classification is either dishonest or incompetent, and I put the question to you, would you, as an engineer, like to have the classification that you had made decided upon the general average of the borings such as you have in this case?" And you answer: "No, sir."—A. What is that question?

Q. (Reads): "You are making a very positive statement as to the quantity; and the result, if you are right, is that the engineer who made the classification is either dishonest or incompetent, and I put the question to you, would you, as an engineer, like to have the classification that you had made decided upon the general average of the borings such as you have in this case." And you answer: "No, sir." What do you say to that? You would not like to have the classification made on borings 100 feet apart, would you?—A. Not the classification, the final total of the rock material.

Q. But you would not like to have the classification made on borings of that sort?—A. No, it is not that at all. The classification could be made from these borings.

Q. It could not be made with any accuracy?—A. The classification could be made, the actual amount of solid rock cannot be, but it can be brought pretty close.

Q. But you cannot arrive at the actual quantity of solid rock?—A. Not the exact quantity.

Q. Certainly not. You cannot arrive at the exact quantity in that way. The borings have to be very much closer than that. Now, you have gone over the drill records, and the borings as made by the people who did the drilling, and the records kept by the engineer in charge. Don't you consider those were properly kept?—A. Yes.

Q. And you have figured out the quantities from those drill records, and you find the quantity to run up to some 32,000 cubic yards of rock, don't you?—A. No, I have not figured that out at all, I figured out the rate.

Q. I thought possibly you had. Now, then, I suppose, you agree with Mr. St. Laurent that there should have been closer borings in order to get at the quantity of rock with any degree of accuracy?—A. Certainly.

Q. You agree with that?—A. Yes.

Q. And if the engineer took the closer borings, would he not be the best judge?—A. If he took closer borings, yes.

Q. Then I suppose you agree with Mr. St. Laurent that (reads) "There is no possibility of making a very accurate estimate of submarine rock work covered with other materials?" At best even with tests, say every 10 or 20 feet apart, as the case may require, the estimates retain an element of uncertainty?—A. Ten or twenty feet apart is close borings.

Q. You think that would be close enough? That they would not have an element of uncertainty as found by Mr. St. Laurent?—A. It depends on how often you do it. You can get it two feet apart.

Q. Yes, and ten feet apart. Now, you have read this specification. Material that could not be removed by an ordinary dredge, such as the *Puget Sound*—

Mr. CARVELL: If you are going to read the specifications read them as they are.

Mr. PRINGLE: I will read them all, if you like, and will get an interpretation from the witness.

The WITNESS: I know the specification does not say an ordinary dredge.

Mr. CARVELL: He knows that you have not properly quoted it.

By Mr. Pringle, K.C.

Q. What do you say as to that specification?—A. What part of it?

Q. If the material could not have been removed by an ordinary dredge would you not classify that as rock?—A. Yes, it would come in at rock prices.

Q. At rock prices, certainly, and the *Puget Sound* was an ordinary dredge, wasn't she?—A. Yes.

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Q. She was an ordinary dredge?—A. Yes.

Q. And if that material could not have been removed by the *Puget Sound* you would have classified it as rock?—A. But the material could be removed.

Q. I am not asking that question. I am asking you if that material could not be removed by the *Puget Sound* would you not classify it as rock?—A. I think I gave evidence before that I would ask for a ruling from the Chief Engineer on it. I think you will find that in my evidence.

Q. What would your opinion be, apart from the Chief Engineer's?—Sometimes an engineer thinks for himself. What would your opinion be, apart from that of the Chief Engineer: if that material could not be removed by the *Puget Sound*, would you, in your opinion, consider it as rock under the specifications? Never mind the Chief Engineer?—A. Well, as I said before, I would ask for a ruling on it.

Q. Never mind the ruling. If you were going to exercise your own judgment—you are getting old enough and some day you may be called upon to do so—if you were exercising your judgment on that specification, and the *Puget Sound* was there and you were standing right on her deck and saw she could not remove that material, and you had to classify it, how would you do so? Would you run home and say "I will ask somebody else"?—A. That is what I said.

Q. That is what you said. You would not be man enough to classify it yourself if you were called upon to do so?—A. If I were called upon to do so, yes.

Q. Then if you were called upon to do it, how would you classify it? Come, buck up, have some sand in you and decide something. What would you do if called upon to classify that material, if you stood right on that dredge, the *Puget Sound*, and found she could not remove it and you had that specification in front of you and had to decide. How would you decide?—A. Well, in that case I would not decide to put it in as rock, anyway.

Q. What would you decide?—A. I say in that case I would not decide—

Q. What would you decide? There are only two classes of material: one that cannot be removed by a dredge and the other earth. Now, what would you decide?—A. Well, that is a case where you could not decide, you would have to leave it to the Chief Engineer.

Q. You could not decide?—A. No, you could not decide.

Q. Supposing you were the Chief Engineer, how would you decide?—A. Ask the Chief Engineer.

Q. What is that?—A. Ask the Chief Engineer.

Q. But I say if you were the Chief Engineer and you had to decide on that specification, on those facts, how would you decide?—A. Well, in that case I would not decide on rock because that rock price was made high on account of it being estimated as only 4,300 yards.

Q. What would you call it? You could not call it earth, what would you call it? A. That is what I would ask for a ruling on, it would not be rock.

Q. If you were the Chief Engineer and had to give a ruling, what would you rule?—A. I don't know what the Chief Engineer would say.

Q. I am not asking you what the Chief Engineer would say. I want to know what you would say if you were the Chief Engineer, because it was on you largely that Mr. St. Laurent based his report, and you do not seem to have any decision about you in any way?—A. You want a decision only one way.

Q. I don't want anything of the sort. I want to see what your capabilities are. I asked you for the interpretation of that specification and you have given it to me. You have said that any material that could not be removed by an ordinary dredge you would classify as rock. Then I ask you the question "If you stood right on that dredge and saw her working on that material and she could not remove it, what would you classify it as," and you say you would run to the Chief Engineer. How would you



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classify it under those facts?—A. I say in that case I would not classify it as rock owing to the price being made for 4,300 yards.

Q. Would you classify it as earth?—A. I would make a compromise between—

Q. You would make a compromise?—A. Yes.

Q. You would change the specification would you?—A. It has been done before.

Q. I am not asking you that. Here is a specification which shows two materials, one to be removed by an ordinary dredge, earth; the other material to be dredged by blasting; and any material that cannot be removed by dredging is to be classified as rock. You say it is not earth, but because the price is so high you would not classify as rock, you would make a compromise?—A. That's it.

Q. What would you compromise it at? Would you give us what we paid out to have it blasted and what we paid out to have it dredged? I think the Public Works Department had better buck up and get somebody that knows something about these matters? What would you classify it at? Come now, be fair.—A. I have given you my answer.

Q. It is not earth, it is not rock. You say you would compromise. How would you compromise it?—A. Oh, according to the amount of material there would be.

Q. Well, supposing there were 1,000 yards of this material which would be worth \$9.10 as rock and 52 cents as earth. What would you give us?—A. You are going into details now.

Q. My gracious, an engineer should be able to give us some details, especially a man who is trying to take from us our classification?—A. I am not trying to take your classification away from you.

Q. Yes, you are trying to take away our classification.—A. I am not.

Q. You are when you take the position as an engineer of the Public Works Department that this is not earth, but because the price is high you would not classify it as rock.

Mr. CARVELL: Oh, hold on, Mr. Pringle. In your suppositious case he is taking that position.

Mr. PRINGLE, K.C.: That is absolutely his answer.

Mr. CARVELL: I don't know that I am charged with the duty of protecting the Public Works Department, but I think it is the duty of every member of the committee to see that every witness is treated fairly. You are importing into the evidence of the witness something he has never stated. You are talking altogether about a suppositious case. What you are asking is what would he do in a suppositious case.

Mr. PRINGLE, K.C.: The witness has absolutely stated that if the *Puget Sound* could not remove this material it should be classified as rock. I am asking him how he would classify it.

The WITNESS: I think the contractors' drill records classify it.

Mr. PRINGLE, K.C.: I am not dealing with any suppositious case at all.

The WITNESS: That is not supposition at all.

Mr. PRINGLE, K.C.: I am dealing with a case of this sort; that if that material could not be removed by the *Puget Sound*, and I am not going to leave it to you to say whether it could or could not—

Mr. CARVELL: That is suppositious.

Mr. PRINGLE, K. C.: It is not suppositious.

Mr. CARVELL: He says it could be removed by the *Puget Sound*.

Mr. PRINGLE, K. C.: Mr. Valiquet says it could not. McDonald says it could not and Woolley says it could not. I am saying to the witness that if all these men state that the material could not be removed by the *Puget Sound*, if they are right, how would he classify it.

Mr. DAVY.



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Mr. CARVELL: You are coming to another question.

Mr. PRINGLE, K. C.: No, it is the same old question.

The WITNESS: The *Ajax* removed it.

Mr. PRINGLE, K.C.: I am not asking you about the *Ajax*.

The WITNESS: And the *Puget Sound* is a better dredge than the *Ajax*.

By Mr. Pringle, K. C.:

Q. You cannot squirm with me?—A. I am not trying to squirm with you.

Q. I will stay here if necessary all evening and to-morrow in order to get you to give me a straight answer?—A. I have got nothing to do to-night. I say the *Puget Sound* could remove it because the *Ajax* could remove it, and the *Puget Sound* is a more powerful dredge than the *Ajax*, that is what I say.

Q. I am asking you this: If these men are telling the truth, and if the *Puget Sound* could not remove this material, how should it be classified?—A. I gave you my answer to that.

Q. No, you haven't?—A. I did.

Q. Well give it to me again. Give me that answer. I am entitled to it and will have it?—A. I say I would refer it to the Chief Engineer.

Q. Well, then, if you were the Chief Engineer, how would you classify it? Supposing you were Chief Engineer how would you decide it?—A. I told you just now.

Q. You would run to somebody else?—A. No, I did not say that at all, can't you remember what I said?

Q. You said you would compromise it?—A. Yes.

Q. Then how would you compromise? It wasn't earth, would it be rock?—A. I would decide from figuring out the number of yards there would be of that material.

Q. Then you would wipe out the specification under which the contractors were working and you would figure up the number of yards of that material and give them a compromise price?—A. Yes.

Q. Would you give them as much as it cost them, \$5.05 per yard?—A. Since the specification does not govern that, that is why.

Q. Then you think the specification is at fault?—A. The specification is at fault, yes.

Q. Unfortunately we have to live up to this specification. If it had been all rock we would have had to take it out, and if it was all earth we would have taken it out. According to specification are you clear that there are only two classes of material?—A. Yes.

Q. You are absolutely clear about that. Now getting away from your compromise for a minute, which class of material would it all come under according to the specification if it could not be removed by dredge? Would it not come as rock? Get away from your compromise and deal with the specification as we find it; would it not come as rock under the specification if it could not be removed by an ordinary dredge?—A. Yes, if it said "ordinary dredge," I said.

Q. All right—And the *Puget Sound* is an ordinary dredge?—A. Yes it is.

Q. Well, we have it settled and it took a long time. If it could not be removed by an ordinary dredge it should be classified as rock, and the *Puget Sound* is an ordinary dredge?—A. I said if the specification said "ordinary dredge."

Q. But if the specification said "a dredge," and it is before referred to as an ordinary dredge?

Mr. CARVELL: Oh, no, it does not.

Mr. PRINGLE, K.C.: Yes it does. However, I am satisfied. Let us get along with Mr. Davy.

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*By Mr. Pringle, K.C.:*

Q. Now, then, that area of packed material was 4 to 5 feet all over this area; that is the material you would compromise.

Mr. CARVELL: Oh, no, no.

A. There were places where it was from 7 to 8 feet there, but not inside the contract lines.

Q. Mr. Halkett puts it at 3 to 5 feet?—A. But not inside the contract lines.

Q. But Mr. Halkett was speaking of the contract lines. He said?—A. No, he was not.

Q. "There was hardpan from 3 to 5 feet there on top of nearly the whole area to be dredged." Mr. Halkett was the man out on the spot; he knew the conditions, and he said there were from 3 to 5 feet of hardpan?—A. Mr. Halkett bored all over that—right there.(indicating).

Q. I suppose Mr. Halkett knew what he was talking about?—A. When Mr. Halkett was there the contract lines were not the same as they are to-day.

Q. But Mr. Halkett is talking now of this very contract, and he is going to Mr. Mallory, and he says, "We will put the hardpan at from 3 to 5 feet." What do you say to that? He was not talking of another contract?—A. He could not know where the contract lines were. How would he know? He was not on the work at all.

Q. What was he doing there? What business had he to go there, then, telling them there was from 3 to 5 feet if he would not know about it?—A. He was not on the contract at all, and would not know where the contract lines were.

Q. As far as you are concerned, if you had to deal with it we would have to take a compromise all right, Mr. Davy. Now, then, you never tested this area that is in dispute with any dredge because the material was all removed?—A. Do you think the material is going to change immediately outside the line?

Q. I am not going to argue this matter with you, Mr. Davy, in any shape or form. You are going to answer my question?—A. All right, go ahead.

Q. You never tested any portion of this area that is in dispute—the excavated area—you can argue against us some other time, but you are not going to argue with me when I am cross-examining you. Did you ever test in the area that has been excavated?—A. No, it was all gone.

Q. Then why did you not say so, instead of trying to argue with me? I know you are trying the best you can to make a case against Mr. MacLachlan?—A. You are wrong about that, I am not.

Q. Then I say you are the man who made the original borings and are trying to get everybody to stand by your work?—A. I do not know about that—the contractors' drill records stand by my borings.

Q. That is not good enough evidence for me, or anybody else.—A. It is good enough for me.

Q. Now Mr. Davy, how long is it since you made these borings?—A. In 1912-1913, in the fall or spring.

Q. You have based everything on your original borings?—A. Based what?

Q. You have based the information you gave Mr. St. Laurent upon it and he bases his report on it too?—A. No, no.

Q. You did not take it from your original borings?—A. No, it was not necessary.

Q. What is that?—A. It was not necessary.

Q. Now, I want you to take these sections here (Plans produced). In some places there is a very small quantity of hard material allowed over the rock isn't there and in some places there is a larger quantity. Would there be any better way of getting at it than by drilling it?—A. Getting at what?

Q. Getting at the quantity of hard material overlying the solid rock?—A. If it was drilled properly.

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Q. I am not assuming that it was drilled improperly. I am asking if there is any better way of getting at it than by drilling?—A. Yes, by test borings.

Q. You did not make much of a success of your test boring?—A. It looks as if I did.

Q. 8,750 yards out?—A. That is not how it got that 8,750 yards out, and you know it is not. You know that the area was left out.

Q. That is between you and your fellow engineers?—A. It was not on account of the borings at all.

Q. Well, I would not like to take a contract on any of your estimates. Now, then, you said that the rubble stone sank in the material, this hard pan was not put in after the rubble stone was put on, was it?—A. What is that, what are you getting at?

Q. What Mr. Carvell was getting from you, that certain rubble stone was put in and the material was so soft it sank in it. That was not the hard material?—A. No, it was not.

Q. Certainly not. Although I understood from you that was what you were trying to get us to believe. Rubble stone would not sink in the hard material?—A. No, the rubble stone might not sink in that hard material.

Q. While you were out there, I suppose you examined into all the work done by Maclachlan, didn't you?—A. Not all the work, no.

Q. I don't know whether you had anything to do with this report or not, but I see that Mr. St. Laurent gives him great credit for everything outside of this question. He says: "I have looked carefully into the methods used to measure the stone dumped in place, and I can testify that they were carefully and accurately worked out and a perfect system of quantities kept daily." You found that to be correct, didn't you?—A. I think that is all right.

Q. If he kept a perfect system, didn't you find that his system, in regard to this material, was a very perfect system?—A. No, it was a very imperfect system.

Q. In what way?—A. The method of locating hard material was imperfect.

Q. Leaving that out, didn't you find that he kept accurate measurements all the way through?—A. Yes.

Q. And if there were any mistakes made as to those measurements, they would be made with the inspectors, would they not?—A. I do not know what instructions the inspectors got.

Q. Have you not heard Mr. Maclachlan tell what instructions they got, and how these tests were made? Now then, you went out with the *Ajar* and she has a 40-foot arm, is that right?—A. I do not know exactly, I understood that she could dredge to 42 feet—

Q. I am not asking how deep she could dredge—

Mr. CARVELL: Will you let the witness finish his answer?

Mr. PRINGLE, K.C.: He requires protection.

Mr. CARVELL: I don't think that is a fair way of putting it.

*By Mr. Pringle, K.C.:*

Q. What length arm had this dredge?—A. I understood that she could dredge 42 feet but I may not be correct.

Q. Mr. St. Laurent told us the other night that she had a 42-foot arm.

Mr. ST. LAURENT: She could dig to a maximum depth of 40 feet.

*By Mr. Pringle, K.C.:*

Q. Now, then she could dig to a maximum depth of 40 feet. This material was all loosened up to a maximum depth of 40 feet in the blasting, you are aware of that?—A. Yes.

Q. When she was dredging, she would be dredging this blasted material?—A. Yes.

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Q. And you would not strike this material then in the solid form, what you would strike is loosened and blasted?—A. If the powder went down 40 feet, I don't know how deep it went, whether 36 or 40 feet.

Q. If it went 40 feet you would dig in material that would be blasted?—A. Yes.

Q. And that would not be at all a fair test? Now, when you went outside of these ledges where this material was tested, how do you know when you struck this hard material or struck rock? You say you went out once some two or three hundred feet from the shore?—A. We knew from the borings what depth the rock was at.

Q. You made borings?—A. Yes.

Q. Mr. St. Laurent's report is based very largely on your findings?—A. I don't think it is based entirely on my findings at all.

Q. I did not ask you whether it was based entirely on your findings, I asked if it was based very largely?—A. Part of it is based on the test borings, and I think the contractor's drill records verifying the rest of it.

*By Mr. Barnard:*

Q. Mr. Davy, what was the plan dated 27th August, 1913, and signed by Mr. Lafleur?—A. I think that was the contract plan, I would not be sure.

Q. Is it here?—A. I do not know what other one would be signed. It is on record somewhere, it was put in evidence the first few days.

Q. What plan is that?—A. That is the contract plan No. 1 signed by Mr. Lafleur. October 27, 1913. This is one of the contract plans showing the location of the work.

Q. Who is Halkett?—A. Halkett was the foreman I had taking the borings on that work.

Q. When he is referring to the fact that there was a crust of from three to five feet on the work, there could not have been a mistake as to what he was referring to?—A. If he referred to this plan (indicating).

Q. Well, Mr. Mallory's entry in the diary reads this way (reads):

"He had heard there was some fault found with the contours as made by him on the plan of August 27, 1913, signed by Lafleur. Scale 100 to the inch. Marked 1 (in circle) in the upper right hand corner. He said he sounded the whole area and knew positively the work was right. He said there was a hardpan crust from three to five feet thick on top of nearly the whole area to be dredged, but there was very little rock above 36 feet low water at any point."

A. What date was that?

Q. August 27, 1913.—A. Well, this plan (indicating plan before him) is dated October.

Q. What is the plan dated August 27, 1913?—A. I don't know.

Q. This plan was marked one in the right hand corner?—A. This is the previous plan, the one before.

Q. Is there any date on it?—A. Oh, no, this is just a tracing.

Q. Is there any other plan marked one in the right hand corner?—A. There was another plan, with yellow lines. There is another plan somewhere that we had here the first day. I guess this is it (indicating). That is the one that Halkett bored on.

Q. Is there any date on that?—A. No date on it.

The ACTING CHAIRMAN: Perhaps this is the one (handing plan to witness).

*By Mr. Barnard:*

Q. What date is that?—A. October 27.

Mr. BARNARD: (To Mr. Mallory). What plan were you referring to in your entry?

Mr. MALLORY: I was referring to the plan in McDonald's office. Halkett did not  
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make a statement about the plan. He made a statement about the work. He did not mention the plan at all.

*By Mr. Barnard:*

Q. Is this plan of the 27th October not marked No. 1 in the right hand corner?—  
A. Yes, it is marked in the right hand corner.

Q. The only difference is that one plan is dated August 27, and the other 27 October?—A. Yes.

Q. Halkett said he had sounded the whole area and that there was a hardpan crust of from three to five feet thick on top. Don't you think when he said that he referred to the contract plan?—A. This is the plan he had with him all the time (indicating plan).

Q. But reading the entry in the diary and looking at the plan, what do you think he meant?—A. Mr. Mallory or—

Q. No, Mr. Halkett or Mr. Haslett as he is called in the diary. He referred to a plan marked No. 1 in circle in the upper right hand corner, scale 100 feet to the inch?—A. I don't see how Halkett could refer to a plan marked No. 1 in the right hand corner.

Q. Here is one so marked in the right hand corner?—A. Yes, but where could Halkett see it.

Q. That is not the point. This is the contract plan (indicating) such as described, with the figure 1 in the right hand corner.—A. Yes.

Q. It is signed "E. Lafleur" isn't it?—A. Yes.

Q. It is scaled 100 feet to the inch, is it not?—A. Yes.

Q. And the only difference between the plan Mr. Halkett described and the plan here is that the date is marked August 27 instead of October 27?—A. Yes.

Q. Do you not think it is a reasonable assumption that he was referring to the contract plan?—A. I don't see where he could see the plan, where he could get it.

Q. Wasn't it up in the engineer's office in Victoria?—A. He was not in that office.

Q. Yes, but would not the plan be up in the engineer's office in Victoria?—A. I don't think so.

Q. Not the contract plan?—A. It was up in Mr. MacLachlan's office.

Q. Mr. MacLachlan's office is in Victoria?—A. Yes, sir.

Q. Don't you think that Mr. Halkett, being engaged on the original soundings in connection with this work, would have no difficulty in getting access to the plans?—

A. He was in a different district.

Q. He was in the District Engineer's Department in Victoria, was he not?—  
A. Yes.

Q. Do you think he would have any difficulty in getting access to this plan if he decided he wanted to see it?—A. He could get permission to go and see it, I suppose.

Q. Don't you think that was the plan he was referring to when he made the statement Mr. Mallory has entered in his diary, and that the plan described by Halkett nearly answers the description?—A. Not when he refers to No. 1.

Q. But there is no other plan that so nearly answers the description?—A. No.

Q. If he said there was a crust of from three to five feet of hardpan on top of nearly the whole area to be dredged is he not referring to this particular area now in dispute?—A. I don't see how a man after three years could remember what borings were inside the lines and what borings were outside the lines.

Q. I don't think you are quite answering my question. Halkett had access to this plan. He describes it minutely with the exception of the date. The evidence is he went out on the work, he was on the dredge, and he says that there was from three to five feet of hardpan on the area to be dredged. Now when he says that, would you seriously dispute he meant the area under contract?

Mr. CARVELL: Do you say that he said that when he was on the dredge?

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Mr. PRINGLE, K.C.: Mr. Mallory said he was out there and said that but I will not say it was on the dredge. Here is what he said; he said that he found there was some fault found with the contour as made by him on the plan of August 27, 1913. Then he said he sounded the whole area and knew positively his work was right.

Mr. BARNARD: Read the whole of it.

Mr. PRINGLE, K.C.: He said (reads):

"There was a hardpan crust from 3 to 5 feet thick on top of nearly the whole area to be dredged, but that there was very little rock above 36 feet low water at any point. He was quite emphatic about his rock contours or soundings as shown on the plan being exactly as we would find it."

He said it on the dredge as I take it, he went out to the dredge on that particular day, referring to that particular plan.

Mr. CARVELL: That was the *John E. Lee*.

Mr. BARNARD: I do not think that is the point, if I understood Mr. Davy correctly what he said a few minutes ago was that they were working on different lines to what Mr. Halkett sounded on. Is not that right.—A. Yes.

*By Mr. Barnard:*

Q. But when Mr. Halkett made this particular statement he was on the dredge that he was working on and he referred to the plan, the contract plan. Now do you not think this estimate that he made applies to where they were working at the time?—A. Yes, I suppose that is what he might mean.

Q. What do you say as to his statement of from 3 to 5 feet of hardpan all over the area. By the way, who is Mr. Halkett?—A. He is employed in the District Engineers' office in Victoria.

Q. He is a foreman, is he, or what?—A. He is employed by District Engineer Mitchell.

Q. What are his duties, particularly?—A. I do not know what they are now.

Q. What was he doing with you?—A. He was in charge of this work for me as foreman.

Q. Well, now, what do you say as to this statement that there were from 3 to 5 feet of hard material?—A. Well, there was not all over the whole plan, around here (indicating), but I do not know as to the line.

Q. Do you seriously dispute that he is referring to the contract plan, considering the fact that he identifies it almost absolutely, and that he was on the ground at the time when they were working? Now, do you seriously dispute that he referred to the contract plan?—A. No, I do not dispute that he was referring to the contract plan.

Q. Now, do you dispute the correctness of his statement as to the amount of hardpan?—A. As to the amount of hardpan in that area, I do.

Q. You say he was wrong?—A. He was wrong as to the actual quantity we had there. There were from 3 to 5 feet, but it was over in this direction, going over towards Rithet's pier (indicating), it starts here and goes over here from the west pier, running over to Rithet's pier.

Q. Did you tell us, Mr. Davy, a little while ago, or at least I do not know that you got that far before, Mr. Pringle interrupted you, but I think you were going to say that the character of the material does not change immediately outside this particular line?—A. Immediately outside this line you can follow the course of this hardpan, it widens out towards Rithet's pier, and then narrows in again, you can trace its course.

Q. Then you say that what Mr. Halkett says, that there were from 3 to 5 feet of hardpan over practically the whole area to be dredged is not a fact?—A. Oh, yes, or five feet.

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Q. From 3 to 5 feet, when he says from three to five feet he is stating what is not correct?—A. Yes, and I think if he was on oath he would not say it.

Q. Perhaps he did not say it at all, I do not know. Now just one more question. You told Mr. Pringle if you had been engineer in charge under these circumstances and found that the dredge could not do the work you would report the whole matter to the Chief Engineer and ask for a ruling?—A. Yes.

Q. In view of the letter that Mr. Maclachlan wrote to the Chief Engineer on the 20th of August, do you suggest he could have done anything else?—A. Well, I would suggest that the Chief Engineer could not do anything else.

Q. What course do you suggest Mr. Maclachlan could have taken other than that he did take?—A. I think he should have reported it sooner.

Q. You think he should have reported it sooner?—A. Yes.

Q. Well, he reported it on the 20th of August?—A. Yes.

Q. That was before the August estimate went in, do you think he should have done it sooner?—A. Yes.

Q. How much sooner?—A. Well, the July estimate exceeded the amount.

Q. Exceeded what amount—the total amount?—A. The amount of 4,300 yards.

Q. Then your opinion is that as soon as the 4,300 yards were exceeded he should have done it?—A. Yes.

Q. That would be only at the end of July?—A. As soon as he noticed it was going to exceed the 4,300.

Q. But you see the dredge *Puget Sound* was not put on until the 17th of August; would you have expected him to report before that?—A. Some dredges should have been tried before the 20th of August.

Q. You think so, that he should have insisted upon another dredge prior to that date, is that it?—A. Yes.

Q. Then you think he should have reported it sooner, and that he should have tried another dredge?—A. He should have tried another dredge.

Q. Supposing the *Puget Sound* could not have done it, what should he have done then? Should he have got another dredge?—A. I do not think it would be necessary to get another dredge.

Q. You would then have reported as he did?—A. What is that?

Q. You would then have reported to the Chief Engineer as he did?—A. I would have reported, yes, I would have reported it but not just as he did.

Q. What would you have said?—A. I would have reported hard material, but I would not have said, as he did, that the material was "conglomerate" because that only refers to one class, in fact it does not require any comment.

Q. You are using the word in a technical sense?—A. "Conglomerate" is only one thing, rock.

Q. Did you ever hear hardpan described as conglomerate?—A. No, conglomerate is rock.

Q. How would you have reported it?—A. I would have reported that the material could not be removed by a dredge, if it was so, and that it was hard material, and that I would like to get some ruling on it, some specification for it.

Q. Do you not consider that was what he asked for, a ruling on it?—A. No, I do not think that at all.

Q. What do you think, supposing now that you had been in the position of Chief Engineer, what action would you have taken on that letter?—A. I would have said, "Go ahead, if it is conglomerate, it is conglomerate."

Q. You would have said, "Go ahead"?—A. Yes.

Q. And supposing he had said it was some hard material that could not be removed by a dredge, what would you say?—A. I would have had to have it investigated.

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Q. Then you consider Mr. MacLachlan was at fault first in not reporting soon enough?—A. Yes.

Q. And you would have made the report before you put another dredge on it?—A. I would have tried to dredge on it before I reported it, sir.

Q. When would you say you would have reported, before you put another dredge on it?—A. Before any other material outside the solid rock was returned.

Q. Before any other material was returned?—A. Outside the solid rock.

Q. That is to say you would have insisted upon the contractors bringing in another dredge?—A. Well, there was not any dredge there.

Q. And if there was any dredge on the work you would have had to lay it off while the test was being made, until such time as you heard from Ottawa?—A. If there was not any dredge in the vicinity.

Q. If you brought the dredge, and the dredge would not work, you would have had to lay the dredge off until such time as you heard from Ottawa of the results?—A. Yes, unless there was some other work to do, dredging the top off.

Q. And if the Chief Engineer had required you to investigate you would still have held that dredge off until you made your investigation?—A. Yes.

Q. And suppose the dredge was costing \$50 an hour, do you think that would be a fair position to put the contractor in?—A. No, it is not.

Q. Under those circumstances, do you think you would have taken that action?—A. What action is that?

Q. The report asked for an investigation, and you held the dredge too. First of all, you made them bring the dredge at \$50 an hour, then you find the dredge cannot do the work at all. They ask them to have some one come out and investigate. You put the contractors in the position of having a dredge on the job, not doing any work at least three weeks, costing \$300 or \$400 a day. Would that be a fair position to put the contractor in?—A. It is not necessary for anybody to come from Ottawa to investigate. I did not mean to send somebody out from Ottawa.

Q. Dealing with Ottawa from as great a distance as British Columbia, you won't get action in much less than three or four weeks?—A. No.

Q. The position would be; you keep that dredge idle for at least some three weeks at a cost of \$300 or \$400 a day?—A. Unless an investigation was made out there.

Q. Do you think that would be a reasonable condition to put the contractor in?—A. No.

Q. You cannot hire a dredge one day and give it up in a minute, and get it again when you want it?—A. Certainly not.

Q. Possibly your action would not be the best to take under the circumstances?—A. Not to send somebody out from Ottawa, and hold the dredge over. You could have an investigation without somebody coming from Ottawa.

Q. Suppose you did, even that would take a couple of weeks.—A. Not necessarily.

Q. Well, you have more faith than I have.—A. There are other engineers there.

Q. You have more faith in the expedition of the Departments at Ottawa than I have. That will do.

*By Mr. Carvell:*

Q. We have had a long dissertation on what a man would do in suppositious circumstances. Now, we will try and see what he did do. There is no doubt that the dredge was on the ground when MacLachlan reported.—A. I understood the dredge was there on the day he reported.

Q. Did Mr. MacLachlan report however, that this material could not be removed by the dredge *Puget Sound*?—No.

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Q. Is there anything in his report at all that he stated whether or not this material could be removed by the *Puget Sound*?—A. No, there was not anything.

Q. Was the *Ajax* on the Pacific Coast at that time?—A. Yes.

Q. Would that be available for testing purposes in case it was necessary?—A. Yes. I think we could get it from the Department.

Q. It would only have taken three or four days in order to work the thing out. I want you to be a little more explicit as to the localities where you say there was this hardpan crust. (Witness examines plan). You are referring now to plan Marked 1?—A. Yes, marked 1 in the corner.

Q. Where is it?—A. Here (indicating), that is in the corner of the West slip

Q. On the bulkhead, is it?—A. Yes.

Q. And how wide was it at that point of the dredged area?—A. The dredged area is 150 feet across.

Q. How wide was that material?—A. That material was about 50 by 75 or so.

Q. Fifty or seventy-five feet wide. Then where did it extend?—A. It ran over this way (indicating), over towards Richet's pier.

Q. How wide was it at its greatest width?—A. About 250 feet right here (indicating).

Q. In the centre?—A. Yes, in the proposed pier No. 4.

Q. And it extended then to where?—A. Over to Rithet's pier, it narrowed out to nothing.

Q. Did you dredge in pier No. 4 the same as you were doing in the slips?—A. No.

Q. There was no drilling done in the widest place?—A. This is not on the contract, this is about 400 feet from the contract.

Q. That is away from the contract entirely. I want to get the area of this material which was under the contract.—A. There is that area I spoke of just now.

Q. How large was the area you spoke of?—A. About 50 by 70 in the corner (indicating).

Q. Next?—A. There was another area here (indicating).

Q. Where is that?—A. A very large area, but the contract work did not extend back that far.

Q. What do you mean by area?—A. These two borings here (indicating).

Q. You are not getting any nearer?—A. That is back of slip No. 1.

Q. Now, did it extend any out in slip No. 1, or in the dredged area?—A. No, it extended back towards shore.

Q. According to that there was none of the hardpan to be dredged in slip No. 1?—A. There was some underneath the bulkheads, around this corner (indicating).

Q. How big would the area be?—A. I could not say offhand how big it would be.

Q. Would it be as large as the first area 50 by 75 feet?—A. Yes, about that.

Q. Did you find any other place?—A. I am not sure about this, but it was somewhere around this second slip, but I do not know exactly where it was.

Q. Would you have any records that would show?—A. Yes.

Q. You have pointed out three small areas which are close to the bulkhead in which you found hardpan, and do you say that Mr. St. Laurent in making up his report, took those areas into consideration and allowed rock which strictly did not come under the specification?—A. Yes, that was included in that 13,060 yards.

Q. And how much was there included in that?—A. I think there is something like rock, 12,000 yards. (There was 11,995 yards of actual rock, and 1,065 yards of packed material.)

Q. Now, did you dredge any of that same material with the *Puget Sound*?—A. Not the *Puget Sound*.

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Q. The *Ajax*?—A. Of which area?

Q. Of the same material as was found in these areas?—A. As I say, when we were coming up the back of this slip we ran into it back here (indicating).

Q. Back of what?—A. Back of the West slip.

Q. And were you able to remove it with the *Ajax*?—A. Yes, the *Ajax* coming up the edge of the rock, when it came to that it caught that material and brought it up.

*By Mr. Barnard:*

Q. Without difficulty?—A. Yes, as far as I could see, I did not notice any undue strain on the dredge.

Q. How much did it pick up, just one bucketful or several?—A. It was coming up the slope of the rock here (indicating).

*By Mr. Carvell:*

Q. It caught this material and lifted it up?—A. Yes.

*By Mr. Barnard:*

Q. How many buckets?—A. Whenever we were coming along that corner, that is where we caught it.

Q. How much, roughly?—A. If I remember right, two or three trials, around there. We were following all along the cut.

*By Mr. Carvell:*

Q. Whatever it was, you say you allowed a little over a thousand yards of rock for that class of material?—A. Yes.

Q. Was Mr. Maclachlan with you when that investigation was made?—A. Yes.

Q. On the dredge?—A. Yes.

Q. Did you ever have any conversation with Maclachlan as to whether the *Ajax* could dredge this material?—A. Any conversation?

Q. Yes.—A. No, not conversation.

Q. Did you have it then in correspondence?—A. Yes, it is in his report, in his declaration.

Q. What does he state in his declaration? The thing you refer to is in Mr. Maclachlan's declaration?—A. I think it is a declaration.

Q. We will get it then, and then we will have it, and there will be no question about it. Now, I am reading from page 16 of the record; paragraph 8. (Reads):—

“This pressure has to be overcome before any dredge can successfully operate and I have yet to discover a dredge on this coast, apart from Government dredges, which will overcome this pressure, particularly working with an arm length of 46 feet and at an inclined angle. The original borings also were taken in parallel lines at 100 feet apart, and bearing this in mind, I pointed out to Mr. St. Laurent several indentations in the contour, through which, if the lines of borings had been taken, an enormous amount of hard material over-lying rock, would be missed in calculating the quantities.”

Do you consider in that statement Mr. Maclachlan admitted that the Government dredge could have removed this hard material?

MR. PRINGLE, K.C.: What difference does it make what he considers. I don't think you should ask him that question the report speaks for itself.

MR. CARVELL: Never mind, I deem the question of importance and I want the witness to answer it.

THE WITNESS: What is the question?

MR. DAVY.

## APPENDIX No. 1

*By Mr. Carvell:*

Q. I will go back and read the first of the paragraph. (Reads):—

“When on the dredge with A. St. Laurent, Esq., Assistant Deputy Minister of Public Works, on the 4th January, 1916, I pointed out the methods adopted in boring to make the special test under observation, when the material could scarcely be pierced, even which one man had all his weight on the pipe, and the remaining two men could not force the water through. If my assumption is correct the pressure on the material at the base of the pipe must have been 250 pounds per square inch.

“This pressure has to be overcome before any dredge can successfully operate, and I have yet to discover a dredge on this coast, apart from Government dredges, which will overcome this pressure, particularly working with an arm length of 46 feet and at an inclined angle.”

Do you regard that as saying that the Government dredge could remove that material?—A. Yes.

*By Mr. Pringle, K.C.:*

Q. One question. You have referred to Mr. MacLachlan's letter of the 20th August, and you say he did not state in that letter that the dredge could not remove this underlying material. You evidently were mistaken?—A. With a dipper dredge.

Q. With a dredge. What he said was that one dredge had been employed for some time removing the overlying mud and the underlying material, and later on a more powerful dredge, and that the attempts of both dredges were not successful in removing the underlying material. He clearly pointed out that the attempts of two dredges had been unsuccessful?—A. Yes, but not dipper dredges.

Mr. PRINGLE, K.C.: He did not mention clamshell or dipper dredge. He said two dredges.

Mr. CARVELL: You know he was referring to clamshell dredges there.

The WITNESS: Mr. Pringle, if you read the next letter of Mr. MacLachlan's, on September 10 I think it is, to be found on page 16, you will see that he does refer to the clamshell dredges only.

Mr. CARVELL: Well, Mr. Chairman, we have reached the time for adjournment. We can have a sitting to-morrow morning, when perhaps it will be possible to finish up. I may have another witness to examine to-morrow, but as to that, I cannot be positive at the present time.

Witness retired.

Committee adjourned until Tuesday, 12 o'clock noon.

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HOUSE OF COMMONS,

COMMITTEE ROOM No. 301,

TUESDAY, April 18, 1916.

The Select Standing Committee on Public Accounts met at 12 o'clock noon, the chairman, Mr. Middlebro, presiding, and resumed the consideration of certain payments to Grant, Smith & Co., and Macdonnell, Limited, in connection with dredging at Victoria, B.C.

Mr. CARVELL: So far as I know there is no other witness to call at the present time. I stated last evening when you, Mr. Chairman, were not present, that one further witness might be required. Even now I am not sure of that; I cannot say yes, or I cannot say no at the present moment. I would like if the Committee did not report the evidence as final. My judgment is, however, we will have no further evidence to offer. Should there be further evidence I will give both yourself and Mr. Pringle plenty of notice. I think we will be able to close the investigation up some time next week.

The CHAIRMAN: If you have not any further witness, Mr. Pringle, we might adjourn.

Mr. PRINGLE, K.C.: Mr. McDonald would like to get away this afternoon he wants to go down to Alexandria. After making a visit there he wishes to return home.

The CHAIRMAN: There is no object in detaining all these witnesses here at great expense.

Mr. BARNARD: Before that is settled, perhaps Mr. Carvell would give some intimation of the nature of the evidence he may produce, because these witnesses are a long way from home, and we do not want, after they return home, to bring them back here to meet what somebody else has said.

Mr. CARVELL: I will state this: That if I do produce another witness it will be to contradict distinct, positive statements made by witnesses who have already been examined, and there will be no necessity of having these other witnesses come back. I do not think it would be fair to the witnesses themselves if I were to state that I would bring a witness to contradict certain statements, because if I did not do that I would be casting an imputation upon those witnesses which I do not want to do. If I do produce a witness it will only be for the production of documents which will speak for themselves.

Mr. BARNARD: Yes, but the documents, if you produce them, may require oral explanations from a witness on the spot. Perhaps it would be fair if you would communicate to us privately the nature of such evidence so that it will not go on the record. We can then use our judgment as to whether we will have the witnesses called again or not. We do not want the inquiry unduly prolonged and we do not want to prematurely shut it off; but we would like a decision one way or the other. Mr. Carvell's proposition is a little unusual and might put some of the people concerned at a disadvantage.

Mr. CARVELL: It is not unusual, because these investigations remain open until the Committee disposes of them by reporting them to the House.

The CHAIRMAN: How about these witnesses from Victoria. We do not want to keep them here.



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Mr. CARVELL: I do not want to say anything that would be regarded as an imputation of any kind, but I say that if I produce anybody here it will be for the purpose of contradicting distinct statements and contradicting them by documents alone.

Mr. PRINGLE, K.C.: If the evidence you produce calls for a reply I suppose ample time will be allowed us to do so?

The CHAIRMAN: Is it understood that the witnesses here are discharged? I want to keep down the expense as much as possible.

Mr. CARVELL: I think so, Mr. Chairman.

The CHAIRMAN: Then Messrs. Mallory, McDonald and MacLachlan, and the other witnesses are discharged.

Mr. CARVELL: I would ask for the return of Mr. Mallory's diary, as it is a private document.

Mr. PRINGLE, K.C.: I do not know what the judgment of the Court in Victoria was with regard to these documents. Mr. McDonald informs me——

Mr. BARNARD: Mr. Mallory's diary was not one of those documents.

Mr. PRINGLE, K.C.: It is the other papers I am referring to. Mr. McDonald informs me he got judgment in the Court at Victoria with costs, as against Mallory, the Court holding that he held the ownership in these papers and was entitled to have them, but he said in order to facilitate this Investigation he was perfectly willing to leave the papers in the custody of the Court.

Mr. CARVELL: I am not talking about those documents, I am talking about Mr. Mallory's diary.

Mr. PRINGLE, K.C.: I am not talking about the diary. It is a question whether we would be entitled to the return of these documents sent on from Victoria.

Mr. CARVELL: I think the Committee should return them whence they came. They should go back to the custody of the Court.

Mr. PRINGLE, K.C.: And the ownership be settled there.

The CLERK: Shall I send the papers back immediately?

The CHAIRMAN: Not until we report the evidence.

Mr. CARVELL: Not until we are through with the case. Then I would say it is our duty to return the documents to the Court in Victoria.

The CHAIRMAN: Certainly. We cannot take any responsibility in regard to it.

Mr. CARVELL: I think Mr. Mallory should be given his diary now.

The CHAIRMAN (to Mr. Pringle): You do not need Mr. Mallory's diary any more?

Mr. PRINGLE, K.C.: I do not think we need it any longer. We have an exact copy of it.

The CHAIRMAN: (To the Clerk). Then you will please give Mr. Mallory his diary, and we will adjourn sine die to the call of the Chair.

Mr. CARVELL: That is so far as this case is concerned. We have taken up a lot of time on this case, I am afraid to the exclusion of other cases—not probably of as great importance, because I look upon this as being a very important case—but there are other matters to be taken up. We had better, before adjourning, probably mention some day for the Committee to meet again.

The CHAIRMAN: The House is adjourning until Tuesday of next week.

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Mr. CARVELL: The regular day for the Committee to meet is Wednesday. Many of us who come from the East will not reach here until Tuesday.

The CHAIRMAN: Very well, we will meet at 1 o'clock on Wednesday week.

Mr. CARVELL: There will be some business, or we can arrange for some business, we want to take up on that day.

Committee adjourned.

OFFICIAL REPORT OF EVIDENCE

TAKEN BY THE

PUBLIC ACCOUNTS COMMITTEE

IN CONNECTION WITH

\$1,003.23 TO OTTAWA AND  
NEW YORK RAILWAY CO.





Mr. Blain, for Mr. Middlebro, from the Select Standing Committee on Public Accounts, presented the Fifth Report of the said Committee, which is as follows:—

Your Committee have had under consideration the accounts, vouchers and other papers relating to a payment of \$1,003.23 to the Ottawa and New York Railway Company, in connection with the Department of Militia and Defence, as set out at page 31—ZZ of the Report of the Auditor General for the fiscal year ended March 31, 1915; and, in connection with said payment, have examined witnesses under oath and, for the information of the House, report herewith the evidence given by such witnesses and the exhibits filed during the said examination; and your Committee recommend that the same be printed as an Appendix to the Journals and that Rule 74, relating thereto, be suspended.



## MINUTES OF EVIDENCE.

HOUSE OF COMMONS,

COMMITTEE ROOM No. 301,

WEDNESDAY, March 1, 1916.

The Select Standing Committee on Public Accounts met at eleven o'clock a.m., the Chairman, Mr. Middlebro, presiding.

The Committee proceeded to the consideration of a payment of \$1,003.25 to the Ottawa and New York Railway Company by the Department of Militia and Defence as set out at Page ZZ 31 of the Report of the Auditor General for the year ended March 31, 1915.

Mr. FRED A. NASH, called, sworn and examined.

*By Mr. Carvell:*

Q. Where do you reside?—A. Morrisburg.

Q. What is your business or occupation?—A. Merchant tailor.

Q. Are you still working at your trade in Morrisburg?—A. Yes sir.

Q. And were you there in the summer of 1914?—A. I was.

Q. During any time after the first day of August, 1914, were you in the employ of Mr. J. Wesley Allison?—A. No, I was not.

Q. Were you working under Mr. Allison's instructions?—A. I may have been making some clothing for Colonel Allison at that time, is that what you mean.

Q. I do not mean his private apparel at all. A. Otherwise I was not.

Q. Were you employed then by the Government?—A. No, I do not think so.

Q. Were you employed upon Government clothing?—A. No, it did not belong to the Government.

Q. Were you employed upon militia clothing?—A. Yes.

Q. Who employed you?—A. Colonel Morgan.

Q. Colonel Morgan? That is a new name. Who is he?—A. I do not know him, he introduced himself to me as Colonel Morgan of the British army.

Q. He said that he belonged to the British Army?—A. Yes, he said he was a Colonel in the British Army.

Q. At what time was that?—A. I think that was about some time from the 1st to the 10th of September, I am not quite sure.

Q. Of September, 1914?—A. Yes, I am not sure of the time.

Q. Is it not a fact that large quantities of goods were coming from the United States to Ottawa by way of the New York Central Railway Company to Waddington?—A. I do not know.

Q. Do you know of goods coming across the river to some sort of depot in Morrisburg?—A. Yes sir.

Q. And they came to Waddington, didn't they?—A. So I am told.

Q. You were told that. Waddington is in the State of New York, is it not?—A. Yes.

Q. And you know that the Ottawa and New York Railway Company is a transportation company in New York State?—A. The Waddington and New York Railway runs in there.

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Q. It was not the Ottawa and New York Railway Company?—A. No, sir, that is in Canada.

Q. Do you know that goods came across the river to Morrisburg?—A. Yes sir.

Q. And were these forwarded by the Ottawa and New York Railway Company?—A. Those were only samples.

Q. But you do know of samples?—A. Samples, that is all I know of.

*By Mr. Bennett (Simcoe):*

Q. Are you speaking of things you know of your own knowledge or of things you were told?—A. What I know of my own knowledge.

HON. MR. CROTHERS: What were the samples the witness is speaking about, clothing, revolvers or what?

MR. CARVELL: He said they were samples, and I am asking him about clothing.

WITNESS: I am referring to samples of clothing.

*By Mr. Carvell:*

Q. Do you know of any clothing being brought over in quantities?—A. I do not.

THE CHAIRMAN: I understood that this investigation was into a payment for revolvers.

MR. KYTE: No, it is a payment of \$1,003 to the Ottawa and New York Railway Company on Page ZZ-31.

*By Mr. Carvell:*

Q. Do you know of large quantities of clothing of some kind—military clothing?—A. No, I do not know anything about that.

Q. Did you work on any military clothing?—A. I did some work on some samples that were brought over.

Q. What was the work you did?—A. I changed the labels on them.

Q. What change did you make?—A. I took off the labels that were on the samples and put on a linen label that I use, with my name cut off. It was just a piece of linen for identification. We are supposed to put the number and kind of goods on the label.

Q. You took off one label and put on another?—A. Yes.

Q. Now was the price that was put on the second label the same as on the first?—A. I did not change the price.

Q. Did you put the price on?—A. No, I did not.

Q. Do you know who did put the price on?—A. No, I did not know the gentleman's name.

Q. Didn't you know that that price was changed? Let us get right down to business; you have met me before, haven't you?—A. Yes, last April.

Q. Didn't you know that that price was changed?—A. I think it was on one article that I know of.

Q. Who changed it?—A. I do not know who it was, some gentleman from down in the States.

Q. Some American came up here and they took this sample price, changed the tag, and made the price higher?—A. I just heard this, I did not see the price afterwards; so I could not swear to it.

Q. Was the second price higher than the first price?

THE CHAIRMAN: He said he did not see it.

THE WITNESS: Merely what I have overheard, while I was working. It didn't interest me, I did not pay any attention to it.

*By Mr. Carvell:*

Q. You are not as much interested as you were last April?—A. There was not a thing asked me last April.

MR. F. A. NASH.



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Q. I didn't send for you last April, you know?—A. Someone did.

Q. You came to me?—A. I beg your pardon, I did not; I did not speak to you at all.

Q. Didn't you?—A. No.

Q. Didn't you tell me this story? Think it over now?—A. I do not think—no. I was not speaking to you at all last April.

Q. In room 18?—A. Well, now, there was only one other room I was in in the House. That is where Mr. Jones was. I think that is the only other room I was in except up in the Committee room.

Q. Room 18?—A. I believe it was two hundred and something, I do not remember.

Q. We won't wrangle about that. On how many of those articles were the tags changed?—A. I think about 28 or 30.

Q. It was done in a room over whose store?—A. R. J. Bradfield & Co., in an office.

*By the Chairman:*

Q. I want to know whether the witness is talking of his own knowledge. Were you there?—A. I changed them myself.

Q. You have just said a while ago that you did not change the price on the label?—A. No, I did not touch the prices.

Q. Were you there when they were changed?—A. Yes.

Q. And you know they were changed, do you?—A. Well, I was there until the stuff was shipped.

Q. You have sworn that you did not change the price on the label. Now then were you there when somebody else changed it?—A. I was there, the only thing I cannot swear it, that I was there when the price was put on the list.

Q. The changed price was put on?—A. I did not say the changed price, the price.

Q. Do you know that a changed price was put on these labels yourself?—A. I say I think—

Q. Never mind you "think." Do you know yourself? What are you swearing for?—A. I am swearing of my knowledge, that is all I can tell you.

Q. You were either present or you were not present.

*By Mr. Carvell:*

Q. You were present. When these goods came into that room didn't they have a label on them with the manufacturer's name and the price?—A. If I am not mistaken, there was one pair of trousers that I think I overheard a price mentioned. Mr.—Colonel Morgan, asked one of the other gentlemen what price should go on that. If I am not mistaken it was a different price there when I changed the label.

Q. What was the price you saw when you changed the label?—A. I think it was—

THE CHAIRMAN: He says he did not change the price on the label.

MR. CARVELL: We will settle it by allowing him to go on.

THE CHAIRMAN: I want to find out if there was hearsay evidence.

MR. CARVELL: Now, Mr. Chairman, my ears are fairly good and my memory is good too. There was one pair of trousers, on which he was told, or heard—

THE WITNESS: No.

*By Mr. Carvell:*

Q. You heard them discussing the matter, that the price was different from the price he put on the label, is that what you said?—A. Yes, as near as I can remember.

Q. What price did you see on the label?—A. I think it was \$3.50.

Q. Now, what was the price which you heard these men say was to be on the new label?—A. What I thought at the time was it was four dollars and something. I do not remember.

MR. F. A. NASH.

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Q. How much over \$4?—A. I do not know. I may be mistaken in that. You know it might not have been the same pair of trousers, but it did not look good to me at the time.

Q. What were they changing these labels for?—A. Colonel Morgan told me that the reason they wanted to change them was that they were supplying these goods to the Militia Department, procuring them in the United States, and that the United States is a neutral country, they did not want the Germans to know they were getting the goods over there; therefore, they wanted to take the label off.

Q. So when they take those poor British soldiers as prisoners, they do not want the Germans to know they came from the United States? A. This was the temporary label.

Q. Did Colonel Morgan think the Germans would be vitally interested in the price? A. I do not know about that.

Q. Did he say he was afraid the Germans would see the price, and therefore he changed it to a higher one? A. No.

Q. Then, on account of the Germans possibly seeing these articles that was not the reason for changing the price?—A. That was not what was told me.

Q. All right. What was told you as to the reason for changing the price? A. Pardon me, there was nothing told me about that at all

THE CHAIRMAN: That is not evidence.

MR. CARVELL: I try to conduct these examinations properly. But whenever I have the witness up against something interesting, I am told it is not evidence.

THE CHAIRMAN: If you were in a Court of Justice you would be jerked up so quick you would not know what happened. Let us be fair about the matter.

*By Mr. Carvell:*

Q. Did Colonel Allison have anything to do with employing you in this room? A. No.

Q. Wasn't this Colonel Allison's office? A. It had been formerly, I am not sure if he had the lease of it at that time.

Q. Prior to this time it was Colonel Allison's office? A. Yes, his furniture was there.

Q. Wasn't his secretary there? A. No, I never saw her there, she was not there when I was.

Q. Who is his secretary? A. Miss Edwards, I believe. I think so.

*By Mr. Kyte:*

Q. Miss Mabel Edwards? A. Yes.

*By Mr. Carvell:*

Q. You say you did not see her there? A. She was not there, I am sure she was not there at the time.

Q. Now wasn't there a gentleman by the name of, I think it is, Seyfort? A. Yes, Seyfort was there.

Q. A. Henry Seyfort. Was he not a secretary of Mr. Allison's? A. I do not know. I thought he was Colonel Morgan's secretary, or connected with Colonel Morgan. I never saw him with him at all.

Q. Is Mr. Seyfort a resident of Morrisburg? A. No.

Q. Was he around the room when the samples were being changed? A. Yes.

Q. He was? A. Yes, sir.

Q. Was he there continuously while this operation—? A. While I was there?

Q. Yes?—A. He went out for fifteen minutes.

Q. He was there practically all the time?—A. Yes.

MR. F. A. NASH.

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Q. How long did this operation take place? A. About three hours, I think, or three hours and a half, something like that.

Q. You got the tags changed and that number was there, with them changed?

MR. BOYS: This is the first I have heard of samples being changed.

THE WITNESS: Tags on samples.

*By Mr. Boys:*

Q. I have heard of one possible change from \$3.50 to \$4. Was there anything else—A. Not that I know of.

MR. BOYS: I want to find out if he refers to anything more than this one change or not.

*By Mr. Carvell:*

Q. Do you know that there were carloads of military clothing came through Colonel Allison's office in Morrisburg?—A. No, could not have been possibly.

Q. But passed through Morrisburg under Colonel Allison's and this Colonel Morgan's directions?—A. Not that I know of.

Q. Then you had nothing to do with the handling of any of these goods excepting the change on the tags on this clothing?—A. No.

Q. And you were only employed there for three or four hours?—A. Yes, for a few hours.

Q. Then, were you employed in any other way by Colonel Allison or Morgan regarding military supplies at Morrisburg in the fall of 1914 or the winter of 1915?—A. No, sir, never had anything more to do with it after that.

Q. Are you in their employ at the present time?—A. No, sir.

Q. While you were in that room was there a package of clothing that came to Miss Edwards from the United States upon which they asked for duty?—A. No, I did not hear anything of that, did not see it.

Q. Do you know anything about a package of military clothing going to Miss Edwards upon which she was asked to pay duty?—A. No.

Q. Do you know where Colonel Allison is now?—A. No, I do not.

Q. How long since you have seen him in Morrisburg?—A. Let me see. About I think, three weeks ago.

Q. Not since then?—A. No.

Q. Do you know where Miss Edwards is now?—A. I believe she is in New York.

Q. When have you seen her in Morrisburg last?—A. At the same date that I saw Mr. Allison, it is three weeks ago last Monday.

Q. Do you know where Mr. Seyfort is now?—A. No, I have not seen him since a day or two after I did the work for them. He and Colonel Morgan left the same time.

Q. Do you know where Colonel Morgan is?—A. No, never heard of him since he left town.

Q. Have you ever seen Colonel Allison and Colonel Morgan together in Morrisburg?—A. I would not swear positively. I do not know whether I have. I do not remember.

Q. Do you know whether Colonel Allison was in Morrisburg at the time these tags were changed on this clothing?—A. I do not know. You know his home is there, and he may have been there that day.

Q. Who paid you for your services?—A. No one.

Q. A labour of love, was it?—A. Well, Colonel Morgan shook hands with me and said he would pay me the next day. I did not see him afterwards though.

Q. Do you belong to the army now?—A. No, I do not unfortunately.

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*By Mr. Davidson:*

Q. You were indignant at Mr. Morgan for not paying you. Didn't you think you had a grievance?—A. Not much of a grievance.

Q. You thought it was perfectly right for him not to pay you?—A. I thought he should have paid me, of course.

Q. You were indignant?—A. Not a trifle.

Q. You went to Mr. Carvell last session to give him some political information, didn't you?—A. No, I did not.

Q. Did you see Mr. Carvell last session?—A. I saw Mr. Carvell sitting on one side of the table. last April I think it was.

Q. Mr. Nash, you know Mr. Carvell is a man of standing, has a seat in this House, and has a reputation for veracity and you heard him say that you came to him last session to give him some tips in reference to this thing?—A. I heard him ask me if I did come to him.

Q. And you swear positively you did not come to him?—A. I do not remember of it.

Q. Now, did you or did you not?—A. I do not remember having gone to him.

Q. It is quite possible that you did go to Mr. Carvell and give him some tips?—A. I do not think it is possible.

Q. Did you go to anybody else to go to Mr. Carvell?—A. No.

Q. Did you write any letters, Mr. Nash?—A. No. To Mr. Carvell?—no, I did not.

Q. To anybody?—A. No.

*By Mr. Boys:*

Mr. Nash, it is not important what Mr. Carvell says, and we are forced to accept what he says as being true, but you were at all events in Ottawa in some room of the House of Commons where some of this information was disclosed? Do you recall that?—A. No, sir, I do not.

Q. He spoke of Room 18. You said you thought it was 218?—A. I had a summons to appear in a room, the number of which I have forgotten.

Q. From the Public Accounts Committee. I do not care about the number of the room?—A. I was not called for any evidence at all.

Q. In obedience to that summons you came to Ottawa?—A. Yes.

Q. And when you came here where did you go? I do not want to know to what hotel, but with regard to this particular matter, where did you go?—A. Well, I went over to the Senate, and the meeting—we were asked to report on arrival—and the meeting had been adjourned until the next day.

Q. Who did you report to?—A. The meeting had been adjourned.

*By Mr. Davidson:*

Q. How did you find out that the meeting had been adjourned?—A. From someone in the House.

*By Mr. Boys:*

Q. Where did you present yourself the next day?—A. I went over to Mr. Jones' office, he was the clerk in the Senate. He told me—I met him in a restaurant the night before, and he said if I came over and asked for him he would show me where room 101 was, so he too came over.

Q. In consequence of that you went to Room 101?—A. Yes.

Q. And there told your story?—A. No, sir, I was not asked for anything. I was dismissed at once.

Q. You did not tell your story to the Public Accounts Committee?—A. No.

Q. Did you tell your story to anyone else while in Ottawa?—A. Why, I do not remember.

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Q. You know perfectly well whether you did or not?

THE CHAIRMAN: Never mind looking at Mr. Carvell.

*By Mr. Boys:*

Q. It is perfectly evident, if we are to believe Mr. Carvell, and we are inclined to believe him—A. If Mr. Carvell said that he is mistaken.

Q. You had been summoned to appear?—A. I never met Mr. Carvell before.

Q. If Mr. Carvell says you met before in Ottawa, he is incorrect?—A. We met in the same room.

Q. Is he right or wrong?—A. Well, either one of us is mistaken. I think Mr. Carvell is mistaken.

Q. You think he is mistaken. If you did not meet Mr. Carvell and discuss this matter and tell your story, did you meet somebody else and tell your story while in Ottawa? For instance, Mr. Kyte is here. You would remember him, I am sure. Did you meet him?—A. The first time I ever saw the gentleman that I know of.

Q. I may be assuming too much, but I would think that if you came to Ottawa and met some gentleman here that you would recall it. I do not think that you would ever forget my friend, Mr. Carvell, if you once met him. Did you tell your story to someone?—A. I told you, no, I did not.

Q. And you came to Ottawa and returned without telling the story that we have heard this morning to anybody in Ottawa?—A. Yes.

Q. But you know you did?—A. I did not have any evidence.

Q. I do not care whether you had the evidence or not. You either told this story to somebody when you came to Ottawa or you did not—and I understood you to say you did not. Is that right?—A. Not that I remember.

Q. Can you forget anything like this, the sole purpose for which you came to Ottawa?—A. I was summoned to come.

Q. Did you tell your story to anybody when you were here?—A. I do not know.

*By Mr. Carvell*

Q. You told the Committee that you remembered about the label being changed on one pair of trousers?

THE CHAIRMAN: Do you remember the label being changed? Do you say it was changed?—A. I know the labels were changed, I changed them myself.

*By Mr. Carvell*

Q. You put on another label?—A. Another label.

Q. Which I think you said originally had your name on it, and the name below was cut off?—A. Cut off the top.

Q. And you left a blank piece of linen?—A. It was the label itself, as it goes inside any coat or any suit, with your name on it, and then "Mister." the number and date. My name was cut off the top, and the "Mister" was left on, and the name and date.

Q. That would be on a piece of cloth?—A. Linen, glazed linen.

Q. What colour?—A. White.

Q. On that linen could be put letters or marks?—A. If it was blank.

Q. Whatever marks there were, were put there?—A. Yes, they would have to be put on the linen.

Q. You stated that you knew the price on one pair of trousers, and while you were in the room you heard that the price was changed to \$4 and something?—A. I could explain it better to you, how that was.

Q. Well, describe it your own way.—A. I sat on the table sewing the labels, and I remember the price on one pair of trousers that I had changed the label of. Lying all round were blankets, sweaters, socks, and so on.

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Q. Would you describe particularly what goods you handled?—A. That I handled?

Q. Yes.—A. I handled furnishings.

Q. No, I mean the goods——?—A. Down there?

Q. In this instance, in this room?—A. Oh, pardon me. There were great coats, coats, knickers, pants, sweaters and——

Q. Caps?—A. Caps, toques, trench caps, I think. I did not handle the shoes, they were on the side.

*By Mr. Kyte*

Q. The shoes were there?—A. The shoes were there.

*By Mr. Carvell*

Q. Were there handkerchiefs?—A. Yes.

Q. Shirts?—A. Yes, two or three different kinds of shirts. There was also——

Q. Blankets?—A. Yes.

Q. Then there was a general military outfit so far as clothing is concerned?—A. Yes.

Q. Were the labels changed on all the samples that were in that room that day, so far as you know?—A. I changed the labels on all the different articles.

Q. You know that you changed the price on one pair of trousers or pants?—A. That was my impression. I would not swear that the pair of trousers I saw marked \$3.50 was the pair they put the price on, but the time that I heard it I thought they changed the price, that is all I know about it.

Q. Were there any other trousers besides that pair?—A. Yes, sir, there were other trousers.

Q. Did you have more than one sample of trousers?—A. Yes. I don't know just how many there were—there were several of different qualities.

Q. Of different qualities of goods?—A. Of different qualities of goods.

Q. But one pair of each kind?—A. Yes, I think so.

Q. You did not have two pairs of the same style and quality?—A. No, I don't think so.

Q. Then there would only be one sample of that particular kind upon which you think the price was changed?—A. Yes, there would be just the one.

Q. That would be the sample?—A. Yes.

Q. Did you in your conversation with those gentlemen that day learn where these articles were going?—A. Yes, I heard dictated to the stenographer the address they were shipped to.

Q. Whose address was it?—A. To Colonel Sam Hughes.

Q. Where?—A. Ottawa.

Q. Then they were not intended for the trenches at all, they were only samples?—A. No.

Q. So that German story was rather far-fetched?—A. I was told that at first.

Q. When you came to analyze it you saw those people were just coddling you?—A. Yes, I thought there was something wrong.

Q. These things were going to Sam Hughes as samples upon which goods could be bought, would that not be right?—A. No doubt they were samples that were shipped in to him.

Q. For the purpose of tendering on these goods?—A. Yes.

Q. Do you not know that Colonel Morgan and Colonel Allison sold enormous quantities of those very kind of goods to the Militia Department?—A. No. I do not. I don't know that.

Q. What was the name on the original label on these goods?—A. The label on the collar was E-i-s——.

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Q. Is it E-s-s-e-n?—A. I made a memo of it, I have forgotten the name (producing memo). I think it is E-i-s-m-e-r, Redbank, New Jersey.

Q. Do you remember the name of Essen Bros., Redbank, New Jersey, on any of those labels?—A. I don't know, I am sure, I cannot tell you.

Q. Did this pair of trousers to which you have referred come from this Eisner?—A. I don't know how you pronounce it, I am sure.

Q. How do you spell it?—A. E-i-s-m-e-r, I think it is. I will tell you again. (producing memo and referring to same).

Q. You do not know whether that particular pair of trousers came from that firm or not?—A. Well. Colonel Morgan consulted these gentlemen when they were putting the price on them.

Q. What gentlemen?—A. These gentlemen from Redbank.

Q. I see. The gentlemen who were trying to sell goods were there?—A. There were people there, I don't know who they were.

Q. What became of these old labels when you removed them?—A. Oh, I don't know.

Q. You did not destroy them?—A. No, they were left right there.

Q. In that room?—A. As far as I know, yes. I left, I got through just as the express man was waiting for the parcels.

Q. Let us see who were there. There was Colonel Morgan and Mr.—A. Seyfort.

Q. Whom you think was his secretary?—A. I don't know. I thought he was his secretary. He was talking with him, identified with him in some way.

Q. Then there was this Eisner?—A. I don't know who they were. There were three Jews there. They were Jews, I thought.

Q. They were manufacturers of clothing, or purported to be so?—A. Not always. I manufacture clothing myself.

Q. You do not imagine they were middlemen coming there to sell goods, do you?—A. I heard Colonel Morgan ask one of the men if they made any of this stock themselves, and they said they did.

Q. Well, they were manufacturers. Then these manufacturers prices were on the tags which you took off the clothing?—A. Yes.

*By the Chairman:*

Q. Was Colonel Allison there?—A. No.

*By Hon. Mr. Crothers:*

Q. You say you saw a label on a pair of trousers?—A. I saw one, yes.

Q. That label was taken off and another one put on?—A. Yes.

Q. Was there any price on the label that was taken off?—A. Well, on the pair of trousers I had reference to it was marked \$3.50.

Q. That was the one that was taken off?—A. Yes.

Q. I understand you to say a moment ago that you heard the parties speak of another price?—A. Yes.

Q. But there was only the one price on the label anyway?—A. Yes.

Q. Was the price \$3.50 on the label that was taken off?—A. \$3.50 was on the label that was taken off.

Q. And then another label was put on?—A. Which was not marked. The other label was put on was not marked.

Q. That was left blank?—A. Yes.

Q. What did you mean when you told us some time ago that you heard them speaking about another price?—A. I was under the impression at the time.

Q. What was the other price you heard them speaking about?—A. It was something over \$4.

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Q. That was after you had seen the price of \$3.50 on ont label?—A. I would not say it was on that same pair of trousers.

Q. How many pairs of trousers were there? Were there labels on all of them?—A. I think there were three of four pair, I am not sure. I didn't keep a memo of it.

Q. And they all had a label on?—A. Yes, every garment.

Q. And the price was on that label?—A. Yes, I think the price was on all the labels.

Q. That label was taken off and another label put on that was left blank?—A. Yes.

Q. Do you know how that blank was filled in at any time afterwards?—A. No, I don't.

Q. The only figures you saw on any label were \$3.50, and that was on a pair of trousers?—A. Yes. I saw that \$3.50 on the label that was taken off.

Q. You did not see any price on any other pairs of trousers?—A. I don't remember.

Q. You have told us you did not.—A. Well then, I didn't. I would not say positively that I didn't.

Q. Let us understand each other. I understand you to say that the label that was taken off had the price of \$3.50 on it?—A. Yes.

Q. That label was taken off and another one put on which was left blank?—A. Yes.

Q. Was that blank ever filled up, so far as you know?—A. No. I can't swear that it was.

Q. How did you come to get into this thing? Do you keep a store there?—A. Yes.

Q. Who did you make arrangements with?—A. Colonel Morgan.

Q. Did you know him before?—A. No, I never met him.

Q. What arrangement did he make with you when he came there?—A. At first he asked a gentleman in the town if he knew of some person who would do some work for the Militia Department.

Q. You do not know anything about it, somebody told you that?—A. The other gentleman told me that, and—

Q. Never mind about that. I want to know what arrangement was made between you and Colonel Morgan.—A. That I would go down to their office and change the labels for them.

Q. And you did that?—A. I did.

Q. That is all you know about it?—A. That is all I know about it.

Q. Except that these other men were there?—A. Yes.

*By Mr. Kyte*

Q. Who was the man who delivered this message to you?—A. At first?

Q. Yes?—A. Mr. Chalmers.

Q. What is his full name?—A. F. R. Chalmers.

Q. Is he a resident of Morrisburg?—A. Yes, a business man there.

*By Mr. Boys*

Q. Did you ever ask for remuneration from anybody?—A. No, I didn't Colonel Morgan had gone.

Q. You never received any compensation for the work you did?—A. No.

*By the Chairman*

Q. Did you think you were doing wrong at the time?—A. I told Chalmers that night what a funny kind of deal I was getting into.

*By Hon. Mr. Crothers:*

Q. One other question. You mentioned to Mr. Carvell that there were greatcoats, coats and shirts in this place. Were the labels on the whole of them when you went down?—A. Yes, I think so.

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Q. And the labels were removed from the whole lot of them?—A. Yes.

Q. Was there any price on the new labels or were they all left blank?—A. All left blank.

*By Mr. Davidson*

Q. Did you notify the Minister of Militia or any officer of the Department or anybody in connection with the Department?—A. Did I?

Q. Yes?—A. No. I didn't.

Q. You did not think it was necessary?—A. No.

Q. Did you think the effort was being made to practice a fraud on the Militia ment?—(No answer.)

Q. You can answer that question, can't you?—A. I really don't know anything about it.

Q. Did you not tell Mr. Chalmers that it was rather a queer deal?—A. Yes, it looked funny to me.

Q. How do you mean, looked funny? Did you think they were trying to put one over on the Militia Department?—A. I may have had that impression at the time, you know.

Q. You are a citizen of Canada?—A. Yes, sir.

Q. And you did not think it your duty to inform the authorities you had any suspicion in this matter?—A. No, I didn't think so. I didn't think it my duty because there were others I considered, others higher up that know more about it than I did. At least, that would be likely to know.

Q. What men higher up would know about your putting the labels on?—A. I would not swear to it that the price was raised on the label that was changed on the pair of trousers at all.

Q. You said you thought it was funny business?—A. It was my impression.

Q. Who would know about this funny business?—A. Probably Colonel Morgan.

Q. You would not expect Colonel Morgan, if he was putting up a job, to notify the Department?—A. I don't say that Colonel Morgan did put a job up.

Mr. Boys: Now before you come here on the next day will you try and do your best to recollect who it was you first told your story to, and who it was you first met when you came to Ottawa to attend the Public Accounts Committee last year, and to whom you detailed this information? Try to refresh your memory?—A. Very well.

*By Mr. Sinclair*

Q. Did you do this work in the daytime?—A. About 2.30.

Q. In the afternoon?—A. Yes.

Q. Were there people in and out of the office while it was going on?—A. Yes, there were four or five people there.

Q. Was the door locked?—A. Five were there at one time I think—

Q. Was the door locked?—A. Not that I know of; I do not know.

Q. There were no people coming in and going out?—A. Just those who were occupied there.

Q. Were they all in there when you went there?—A. No, I do not think so—I think there were Colonel Morgan and Mr. Seyfort.

Witness retired.

Committee adjourned.

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COMMITTEE ROOM No. 101,

HOUSE OF COMMONS,

FRIDAY, March 3, 1916.

The Select Standing Committee on Public Accounts met at 11 a.m., the Chairman, Mr. Middlebro, presiding.

The Committee proceeded to the further consideration of a payment of \$1,003.23 to the Ottawa and New York Railway Co. by the Department of Militia and Defence, as set out at p. zz-31 of the Report of the Auditor General for the year ended March 31, 1915.

Mr. A. G. F. DREW, called, sworn, and examined.

*By Mr. Carvell:*

Q. Mr. Drew, what is your position?—A. Collector of Customs.

Q. Where?—A. Morrisburg.

Q. And were you Collector of Customs at that port during the year 1914?—A. Yes, sir.

Q. Have you with you the records of the entries of Military supplies at your port?—A. I have not got any.

Q. You mean you have not got any entries?—A. Yes, sir.

Q. Were there no entries?—A. Not that I am aware of—outside of a few packages that came by express. There was none of that heavy stuff that there was any entries made, what you call small collection entries.

Q. Practically what did these small matters amount to in dollars and cents?—A. I should think less than a hundred dollars.

Q. That is of duty collected?—A. No, the whole value.

Q. Well, that is pretty small then. Were there any goods, of these small goods, that came addressed to Colonel Allison or Miss Mabel Edwards that were not accepted?—A. There was a package of goods that came addressed to Colonel J. W. Allison, and Miss Edwards came in and said—we opened up the package, of course we had to do that on account of there being a manifest of it—and she said that she did not think Mr. Allison should pay the duty on it, and they were left there for some time and finally remanifested back to the people who shipped them.

Q. Of what kind of goods did the package consist?—A. I should think it was a military uniform. There were two of them in this one package.

Q. Those were very small matters. Now, it has been stated freely in the House and in the country that very large quantities of clothing and military supplies of all kinds came into this country from across the river at—A. Waddington.

Q. Now, do you know anything about that?—A. I know there was a large quantity of stuff came over. Now, what those packages contained. I do not know anything about.

Q. Now, as Collector of Customs, how did you happen to allow them to come through without duty?—A. We were instructed by the Department not to meddle with them.

Q. How would you know after receiving those instructions what goods to allow to come in free and what goods to look after?—A. As a matter of fact, the goods that came in for Colonel Allison and Colonel Morgan and those parties.

Q. Nobody but these. Now, that is a very important part of it?—A. There were some goods came in there were marked J. W. Allison, and some M. B. Edwards, and goods came in marked M. B. Bennett.

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Q. Who?—A. Bennett. He was superintendent of the Norwood and St. Lawrence Railway that runs from Norwood Junction to Waddington.

Q. In the State of New York?—A. Yes. Now, I say they came to Morrisburg; I qualify that. In my business I am around the river a great deal, and Waddington is about two miles and a half away. Perhaps sometimes three or four times a day I run over. I have seen these goods on the platforms at Waddington, and whether they came to Morrisburg or not in all cases I do not know.

Q. They came to Canada though?—A. I do not know that; I saw them in the United States.

Q. Did you see any of them in Canada?—A. I have seen goods in Canada that I saw lying on the wharves in Waddington, and under the circumstances I was not looking after these goods.

Q. Mr. Drew, we might just as well get it through. You say you received instructions from the Department to allow goods addressed to certain persons to come in free, and you said there was Colonel Allison, Miss Edwards—A. Well, those names were not mentioned in our order. Our orders were that goods that were consigned to Colonel Allison "and other parties" and the other parties were not mentioned.

Q. Then you got an order from the Department to allow goods consigned to Colonel Allison and other parties?—A. That is the way I understood it.

Q. The other parties' names were not mentioned whose goods were to come free of duty?—A. Yes.

Q. Who instructed you as to who were the other parties?—A. These goods were supposed to be goods for the Militia Department, and what I understood about it—I am sorry to break in—what I thought the order meant was, at that time there was a question whether or not there was an international question arising with the United States as to allowing munitions and that sort of things to go out of the country.

Q. Who described to you, or told you, who were the other parties?—A. Nobody, but I should judge about them that they were some party connected with Colonel Allison.

Q. You just exercised your judgment?—A. So far I did, yes.

Q. Did Colonel Allison ever tell you who those parties were?—A. Never asked him.

Q. Did Miss Edwards?—A. I knew who the parties were who were there. I was introduced to Colonel Morgan, Mr. Sifton, and some other party.

Q. Which Mr. Sifton?—A. I could not tell you that. All I know about Mr. Sifton was I heard Miss Edwards call him "Jack." That is all I know about it.

Q. Then you knew that Colonel Morgan was there, and Mr. Sifton, and they were all bringing in goods?—A. And there is another man.

Q. You mean Bennett?—A. Well, Bennett is the Superintendent of that road.

Q. What about Seyfort?—A. That is the man.

Q. Who was Seyfort?—A. Seyfort appeared to be a sort of secretary for the whole lot.

Q. For the whole outfit?—A. The whole outfit.

Q. Mr. Drew, I would like to know if you kept any record of even the number of packages of goods that came in for this combination?—A. No, none at all.

Q. When they wanted to bring in, we will say, a case, or a dozen cases, or even a carload of goods, did they report to you that they were going to bring in a certain quantity?—A. Never had a report on the whole thing.

Q. The gate was open, and Colonel Allison and other people could bring in anything they had a mind to?—A. Anything that appeared to be military goods.

Q. Did you make any investigation?—A. No.

Q. To see whether they were what they purported to be, military goods?—A. No, I did not.

Q. Then I am safe in saying that under your instructions Colonel Allison and

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other persons were allowed to bring into Canada anything they had a mind to without any interference from you?—A. That is the way I understood it.

Q. And you don't know how much they brought in?—A. I know nothing about it.

Q. Nor whether the goods they brought in were military goods or not?—A. I did not know anything about it. They were boxed up, they were in cases. I never saw one of them opened, I didn't know anything about it.

HON. MR. CROTHERS: Would you mind asking the witness whether he saw these different addresses that he mentioned on the packages?

MR. CARVELL: He has just told me some were addressed to Morrisburg and others Waddington.

THE WITNESS: Waddington, yes.

*By Mr. Barnard:*

Q. Waddington is a town in the United States?—A. In the State of New York.

*By Mr. Blain:*

Q. Is that law in force yet?—A. As far as I know, it is. I never had it countermanded.

*By Mr. Barnard:*

Q. You have said this permission extended to Colonel Allison and others. How many others?—A. I could not tell you that, I don't know. The order that I got was that any goods that came in for Colonel Allison and other parties that were for military supplies, we were not to meddle with them.

Q. Suppose I came along with a couple of hundred cases of goods, would I be allowed to go through?—A. I don't think so.

Q. Why not?—A. Not unless I saw you with Colonel Allison and these parties, and made up my mind you were part of the crowd.

Q. It was up to you to decide who were Colonel Allison's friends?—A. I don't say it was up to me but I did decide it that far.

*By Mr. Carvell:*

Q. Have you a copy of the order?—A. No.

Q. It should be produced, should it not?—A. I have nothing at all.

Q. Have you got the original at your office?—A. No, sir. It was brought out there and given to me, and he said they wanted to bring it back.

Q. Repeat that, please.—A. It was brought out and handed to me in my office and he said they wanted it returned and I gave it to him.

Q. Who handed it to you?—A. I can give you the name, (producing pocketbook and extracting card).

*By the Chairman:*

Q. He left you his card?—A. He left me his card, but still of course I was well satisfied that the authority was genuine or I should not have accepted it. (Card produced).

THE CHAIRMAN: The card reads Mr. R. B. McDougald, His Majesty's Customs, Ottawa. That is all there is on it.

*Mr. Bennett (Simcoe):*

Q. Did you know the man personally?—A. No, sir, I never saw him before or since.

*By Mr. Carvell:*

Q. Do you know whether R. B. McDougald is in the Customs Department or not?—A. I do not.

Q. What sort of a document did he bring you?—A. He brought a letter from the Commissioner of Customs, his father.

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Q. Oh, he is the son of the Commissioner of Customs. You are sure the letter was official, are you?—A. Well, I have seen Mr. McDougald's writing a great deal and I came to the conclusion it was not a forgery.

Q. We can get the statement from Mr. McDougald, if that is the case. Now, Mr. McDougald told you he was instructed to get the document back from you?—A. Yes sir. The young man said they wanted the letter returned and I handed it back.

*By Mr. Blain:*

Q. But a reasonable inspection of the goods satisfied you that they were intended for military purposes?—A. I think that—

**Mr. CARVELL:** He swore before that he never saw the goods.

**THE WITNESS:** I never saw the goods and the only supervision I made was when I saw these packages lying around on the wharves and shores. I looked them over and said to myself, "Why, I guess they are the kind of goods we have to admit."

*By Mr. Carvell:*

Q. Do you think you saw all the packages lying around on the wharves and shores?—A. No.

Q. Did you even see the packages themselves, never mind the contents?—A. I saw a great many. I won't say I saw them all because I don't know. There are a lot of packages come across that river that custom house officers don't see, you know.

*By Mr. Hughes (Kings, P.E.I.):*

Q. How many packages do you think you saw?—A. I would not undertake to make an estimate. There were several carloads of this stuff. I saw three carloads at once at Norwood Junction. I happened to be there, but I did not see what was in the packages. I know they were addressed to Allison, or Miss Edwards or some of these people.

*By Mr. Carvell:*

Q. And they came in free of duty?—A. I don't know what became of them, I only saw them in the cars at Norwood Junction. I don't know whether they came from the packages brought across the river or not. Goods were brought over on scows, they were scattered over the wharves and docks and teams came down and got them and drew them away. That is all I know about it.

Q. And they were put on the cars?—A. I have seen them drawn up to the station and put on the platform. I have seen them marked for Valcartier—that is the name of the place, isn't it—and I have seen them in a great many different ways. Just what they were I could not tell you; I can't see through an inch board you know.

*By the Chairman:*

Q. Mr. Drew, did they disclose to you when they presented that letter, that they did not want you to make any customs entries?—A. My impression is that I would not say that for certain, that they said to me they were afraid of this trouble with the United States over the export of arms and ammunition into a country at war. The United States being a neutral country they did not want anything said about it. Then again, during this time I was at Waddington, I met a United States Customhouse Officer, and there was a lot of goods came in addressed to Allison's Island. He said he thought that he ought to compel them to get an export of the goods. That apparently was what the Government did not want. "Well"? I said, "I don't see that you have got anything to do with these goods. They are addressed to an American Island, and what becomes of them then you have nothing to do with, that I can see." At any rate, he showed me the correspondence he had with the head office at Ogdensburg, Waddington being an out-port of the Port of Ogdensburg, and they wrote him in all cases where it was alleged these goods were for a foreign country, to take exports of

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them. He did that. In looking over his books, which I do quite often for other purposes, I have often seen memoranda of these goods on the American Customs books. The reason we look at their books, is we like to know what they are getting that is addressed to people on our side of the river.

*By Mr. Carvell:*

Q. That is taking an unfair advantage of the inhabitants?—A. Possibly.

Q. You know I live near the International boundary myself?—A. Then you probably realize why I was looking.

*By Mr. Sinclair:*

Q. Where is Allison's Island?—A. Allison's Island is right below the village of Morrisburg and on the American side.

Q. It is in American territory?—A. Yes, American territory.

Q. Is there a Customhouse on Allison's Island?—A. No. It is under the port of Waddington.

Q. Would goods be landed there?—A. If they were brought there they certainly could be landed. If United States goods are shipped to the Port of Waddington, there is nothing to hinder the landing of them on the Island, because that is American territory and it is not necessary to report the goods at all.

Q. Are the facilities for landing good there?—A. Yes, there is a large wharf there. Mr. Allison has a wharf there and they have boats and scows.

Q. You do not know whether the goods addressed to Allison's Island really did go there or not?—A. I don't know, but I imagine they did. I imagine that is where they went at that particular time.

Q. But you don't know?—A. I don't know.

*By Mr. Proulx:*

Q. Has Colonel Allison a residence on Allison's Island?—A. He has a summer residence, a very nice place. This island is about 130 acres; a very prominent island in the river.

Q. Was Colonel Allison stopping there at that time?—A. Yes. Well, when I say he was stopping there, his family was there. They stay there summers.

*By the Chairman:*

Q. From there would the goods be sent on to Morrisburg?—A. They might be. I don't know. I don't say that they were.

Q. Do you know whether they were or not?—A. I do not.

*By Mr. Barnard:*

Q. You don't know whether they were on the Island?—A. I don't know whether they were on the Island.

*By the Chairman:*

Q. Some goods came direct from the American Port to Morrisburg?—A. Yes, scows came in there loaded with goods, after being loaded at Waddington.

Q. Some of these goods passed through without going through your office?—A. Yes.

Q. Can you give us any idea as to how much of that kind there would be?—A. Well, it is pretty hard to do that.

Q. How often a week would they come in?—A. Well, there were times, along about September, that nearly every day there would be scows come in with goods.

Q. How much would there be on the scows of this class of goods?—A. There might be one case, there might be ten, or there might be forty or more. I don't know.

Q. It might have been one, or five or ten. I am speaking now of Government goods. A. Well they were not Government goods that I know of.

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Q. I asked you to give us an idea of how much of these Government goods came in free of duty?—A. Well, you mean in value?

Q. In cases, perhaps we can get at it better that way.

Mr. CARVELL: In carloads?—A. Well, I do not suppose there was over one carload did come in at one time, because the boats were not big enough to bring that quantity. Sometimes they have come in with perhaps one, two or three cases, and at other times they would have a load; it depends altogether on the size of the cases as to how many they could get on the boat. I presume I have seen forty to fifty cases lying there at one time.

Q. Would that be from one load?—A. I think so.

*By Mr. Carvell:*

Q. Would you state to the Committee what would be the average size of those cases?—A. There would be cases come over half the length of this table, and there were other cases that would be perhaps about that size (illustration).

Q. That is about a foot thick?—A. Yes, about that square. There were all sorts and shapes and sizes, and I have seen large cases such as you see around a dry goods store.

Q. And are you sure that goods came over that you never saw and do not know anything about?—A. No, I could not say that.

Q. Could goods come over that you knew nothing about?—A. Yes, they could.

Q. Then all that you know about this matter is just what you happened to see when over at Waddington, down at the shore, or on the wharf or at the railway station, what any other residents of Morrisburg might observe?—A. I could not see any more than any other resident of Morrisburg that went down to the same place, they could see—

Q. You could not see any more than they could?—A. Nothing more at all.

Q. And the goods could be brought in without your knowing anything more about it than any other citizen?—A. No, I would not know anything more.

Q. You said a little while ago that you understood at some stages of the war there was some difficulty about bringing goods from the United States into Canada?—A. I do not know there was any difficulty about bringing them into Canada, but there was a difficulty about the United States allowing them to be exported.

Q. That is the point I am coming to exactly. We can see why the United States officers may possibly want to inquire about a transaction of this kind, and it seems that the officer at Waddington did object with reference to the goods that were consigned to Allison's Island, which is in United States territory?—A. Yes.

Q. He had suspicion when they were going to Allison's Island that they were going to be taken out of the United States?—A. Right.

Q. He had that suspicion?—A. I should judge so.

Q. And from his standpoint he objected to it?—A. Yes.

Q. Can you point out to me what objection there would be from a Canadian standpoint, once they got into Canada, about having an entry of them made in our books?—A. No, I do not know anything about that.

Q. Can you see any reason?—A. Well, I can see the reason that if they were bringing in goods from the United States which the United States might object to having brought into Canada they would want to have it done in such a way that there would be nothing which could come before the United States authorities to show that those goods had been brought in, and therefore they would not want to make entries of them. That is the only reason I can see.

Q. But would not these entries in the Canadian Customs books be private?—A. They are supposed to be.

Q. They are private?—A. But here is the point: In bringing goods from an American port to a Canadian port they have to sign a manifest on both sides for record of what the exports are.

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Q. That is true, but on the other hand—I live along the border and I know how these things are done—I go over to the United States and I buy an automobile, we will say, and there is no manifest on that, because I simply take it and run it over into Canada—I can do that down in my country because we have an imaginary boundary line?—A. I beg pardon there is a manifest, there is a report you have to make to the Canadian Customs, and you have to make a report even to the American Customs in order to be able to take the automobile back.

Q. No. If I buy an automobile over in the State of Maine and drive it over into Canadian territory I do not go to the American Customs at all, but I bring it over and enter it in the Canadian Customs.—A. But you have to report to the American Customs.

Q. If I buy it?—A. Yes, you will have to make an entry then.

Q. Certainly, and I can do it without any manifest, can't I?—A. No sir, not if the Canadian officer understands his business, you must get a manifest and you must report that as an export out of the United States.

Q. From whom would I get the manifest?—A. From the Customs officer in the United States, and get their report outward.

Q. Do you mean to tell me that if I went over to the United States and bought any article of commerce, a horse, an automobile, a waggon or anything else, such as we do every day in life that I have to get manifests?—A. It is a rule that when you bring it out of the United States port into a Canadian port you must report it "out."

Q. If I simply drive it across the line?—A. If you smuggle it across, that is a different question.

Q. But if I make a Canadian entry?—A. The Canadian Customs officer might take your entry, but the proper procedure is to make your report "out."

Q. In thousands of cases along the International Boundary line goods are brought in in the way I have stated?—A. I suppose it is.

Q. Well, once you have the entry made would I or any other person have the right to go to your books and see it?—A. I do not think so, nobody would, unless it was the Inspector of Customs or an official.

Q. But an ordinary person has no right to do so?—A. No, we have no right to show it to anybody outside the Customs officers.

Q. That is the rule of the Department, and I am finding no fault with it whatever. Now if these goods had been entered in the ordinary way would the public be able to get any information that would be of advantage or disadvantage to the country at large?—A. Nothing from my office.

Q. Then the reason for failing to report these goods in your office evidently was not that they were afraid to have this transaction known?—A. Well, as I have said before, when these goods were loaded on the vessel in Waddington and when the vessel reported "out" at Waddington and reported "in" at Morrisburg you would have that report on both sides of the river.

Q. But supposing those goods were loaded on the scow at Allison's Island, as they were in dozens of cases, was there a United States manifest outward?—A. There should have been, but probably was not.

Q. But if there wasn't any manifest outwards there was no reason why they could not have entered them in your office?—A. Only that if they smuggled them in and we got hold of it they would have an opportunity to give an explanation.

*By Mr. Bennett (Simcoe):*

Q. This was not done by night, but in the broad light of day?—A. No, it was done publicly, and they might as well have had a brass band as to have that Colonel Morgan there, because he advertised the business from one end of the county to the other.

*By Mr. Blain:*

Q. Did you have any suspicion that there were other goods besides war goods coming through?—A. No.

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Q. On that point you would surely satisfy yourself—you would surely know?—

A. I had no suspicion that there was anything wrong about the transaction as far as the Customs business was concerned, or I should have investigated.

Q. And it was your business to find out?—A. Yes.

Q. And you would certainly know more about it than any private citizen?—A. Well, I suppose there are lots of private citizens know more than I do, but not about this particular thing.

Q. I am asking you about these goods in particular?—A. If my suspicions had been aroused I would certainly have investigated.

Q. And you had no suspicion that there was any other kind of goods, only those for war purposes?—A. No.

The CHAIRMAN: And you were acting, of course, under Mr. McDougald's instructions.

*By Mr. Sinclair:*

Q. Do you know of any regulation that admits goods free for war purposes?—No, sir.

Q. Never heard of any?—A. Never heard of any.

*By Mr. Proulx:*

Q. Did you get a letter from the Commissioner of Customs to admit them free of duty?—A. Not free of duty, but not to have anything to do with them.

The CHAIRMAN: It is not a breach of international law for a private individual to import in time of war, but it may be for a Government.

The WITNESS: The United States Government would be the only one to find fault with it; the Canadian Government would not. I do not understand international law.

*By Mr. Bennett (Simcoe):*

Q. What length of time did you see Colonel Morgan about there?—A. I should judge he was around there for possibly about six weeks.

Q. Everybody knew what he was doing?—A. If they did not they could have; he told plenty of people.

*By Mr. Blain:*

Q. When was this?—A. It was in September.

Q. 1914?—A. 1914.

Q. In the early stages of the war?—A. Yes. The instructions I got—Mr. McDougald was registered at the hotel on the 3rd September; Mr. Sifton was registered the same day.

Q. 1914?—A. 1914.

*By Mr. Sinclair:*

Q. Was there any reason given in these instructions for this unusual course?—A. No, sir.

Q. They simply told you to do it, but not why?—A. My impression is that the young man told me they were afraid of these international complications. I may be mistaken about that, because I have heard so much about it for months that possibly I may be wrong. The impression is that that was the reason the Government gave for doing it.

*By Mr. Kyte:*

Q. That was the reason given by Colonel Morgan and Colonel Allison?—A. Yes.

The CHAIRMAN: By the man that brought the letter.

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*By Mr. Carvell:*

Q. Did you say the man who brought the letter?—A. My recollection of it is that he did, I would not be positive about it. My impression is that that was what he told me.

*By Mr. Sinclair:*

Q. It was not contained in the letter?—A. I just read it through, I saw it was a letter from Mr. McDougald. The young man wanted it back and I handed it back.

*By Mr. Kyte:*

Q. Is it usual for you to get instructions in that way?—A. In what way?

Q. In a letter presented to you and taken back from you again?—A. No.

Q. Did you ever receive instructions from the Commissioner of Customs in that way before?—A. No, sir.

Q. You always received them in letters addressed to you, which you kept on file?—A. Yes.

*By Mr. Carvell:*

Q. This young Mr. McDougald was a member of the Department staff?—A. That is what his card states.

*By Mr. Blain:*

Q. When were you appointed collector?—A. I was appointed in 1904 or 1905.

Q. Did you ever have such an extraordinary order given you before?—A. No, sir.

*By Mr. Bennett (Simcoe):*

Q. You never had war before did you?—A. No.

*By Mr. McKenzie:*

Q. Was there anything to prevent the officer on the American side, or any other citizen, around the point where the goods were shipped, from seeing what was going on in sending these goods across the river?—A. Not a thing; it was done in broad daylight.

Q. On both sides of the river?—A. So far as I know.

Q. There was nothing to prevent the American Government from seeing and knowing what was going on?—A. No. But what they would prevent was not knowing what these cases contained. These goods were not marked "guns" or "shovels," or anything else.

*By Mr. Carvell:*

Q. Don't mention shovels. Did the shovels come by that route?—A. I cannot tell you that. There was a lot of boxes from Waddington marked "Forgings."

*By Mr. Sinclair:*

Q. I understand that they were entered on the American side?—A. Which?

Q. These goods?—A. I do not think all of them were.

Q. But you know some of them were?—A. Some of them were. I think in the later stages of this transaction that there were entries made, export entries from the United States to Canada.

*By Mr. Carvell:*

Q. But no import entries in Canada?—A. No import entries were made that I know of.

Q. Are there any of these goods coming through in the same method now?—A. I have not seen any of them for a long time.

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Q. But the way is open?—A. I do not know of any reason why. We have never had the order countermanded.

The CHAIRMAN.—At the beginning of the war we were doubtful of what the United State would do, but now it is quite a common thing for the Allies to secure munitions from neutral countries.

Witness discharged.

Mr. Fred. A. Nash, witness in attendance, was discharged from further attendance, subject to being recalled.

Mr. CARVELL.—I would now like to have Miss Edwards called.

The CLERK.—She has not reported.

Mr. CARVELL.—Has she been notified?

The CLERK.—Yes by summons sent by registered letter.

Mr. CARVELL.—Has that letter come back?

The CLERK.—No.

Mr. CARVELL.—The receipt for the registered letter shows that the summons was addressed to Miss Mabel Edwards at Morrisburg, Ontario. The letter has not been returned, and there is no word from Miss Edwards?

The CLERK.—No.

Mr. CARVELL.—Have you any word from Mr. Allison, Mr. Howe?

The CLERK.—Not a word.

Mr. CARVELL.—Has the letter been returned?

The CLERK.—No.

Mr. CARVELL.—Has any information been sent to the Committee as to Colonel Allison's whereabouts at the present time?

The CLERK.—Not a line.

Mr. CARVELL.—Mr. Chairman, we cannot proceed much further with this investigation to-day until we get these two very important witnesses. The presence of Miss Edwards is necessary, and Colonel Allison I look upon as being the important witness in the whole transaction.

The CHAIRMAN.—I should think the Department of Militia ought to know, and they might be communicated with in regard to Colonel Allison's attendance.

Mr. PROULX.—I move that the Sheriff of Morrisburg have instructions to look up Colonel Allison and Miss Edwards and take them into custody if necessary.

The CHAIRMAN.—We have no authority over the sheriff of Dundas County.

Mr. CARVELL.—We have more authority over Colonel Allison than we have over the sheriff.

The CHAIRMAN.—The Department of Militia is the proper authority to communicate with in this matter.

Mr. CARVELL.—I understand that the reason given by the Department of Militia for the appointment of so many gentlemen to the rank of Honorary Colonel was that they could place a uniform on them and secure and exercise control over them. Colonel Allison is now an official of the Militia Department.

Mr. BENNETT (Simcoe).—When was the first notice given to these persons that their attendance was required.

Mr. CARVELL.—On the 25th February the notice was registered at Morrisburg.

Mr. BLAIN.—It was generally understood that Colonel Allison was out of the country then.

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The CHAIRMAN.—How would it do to have the Department of Militia furnish us with Colonel Allison's address if they have it.

Mr. CARVELL.—I would sooner pass a resolution requesting them to furnish the man himself.

The CHAIRMAN.—That is all right, if the Department can do so. But if persons go over to the United States what control have we over them?

Mr. CARVELL.—They are still officials of the Militia Department.

The CHAIRMAN.—The motion had better read that the Department be asked to secure the attendance of Colonel Allison if it can do so.

Mr. BLAIN.—There is no suspicion that Colonel Allison is unwilling to come. Everybody knows that he has been in poor health and is out of the country.

Mr. CARVELL.—I do not want to move a resolution that would contain even the assumption that there is anything wrong, because I am going to assume that everything is all right until it is proved otherwise. I should be very glad to have the Department of Militia requested to take some measures to have the man brought here as early as possible. Now, there is another matter: I would like to have the Clerk communicate with the Post Office authorities at Morrisburg and ascertain what has become of the letters subpoenaing these witnesses.

Mr. HUGHES (Kings, P.E.I.).—The Post Office authorities here will trace the letters and see to whom they were delivered.

The CLERK.—Then I am to do this by direction of the Committee?

The CHAIRMAN.—Yes, we want these registered letters traced up to see what became of them.

Mr. CARVELL.—Mr. Chairman, I want the attendance of Mr. Dougald, Commissioner of Customs. If it is necessary to ask for a subpoena I can ask for it.

The CHAIRMAN.—I do not think that would be necessary. The Clerk will notify him to attend the next meeting of the Committee.

Mr. CARVELL.—I would like to have Mr. McDougald here, and produce the letter that was sent to the Collector of Customs at Morrisburg, and brought back to Ottawa here.

The CHAIRMAN.—Next Wednesday is Ash Wednesday, we cannot sit on that day. I think we had better meet on Tuesday.

Mr. CARVELL.—We hope to have some more witnesses on this transaction and they will be short. Some time ago we moved for papers in connection with the selling of coal to the Government at Victoria, B.C., and an application was made for the attendance of witnesses. The matter was allowed to stand and since then we have had an opportunity of reading the report of Mr. H. P. Hill of Ottawa, who conducted an investigation. So far as I can see at the present time—I have not consulted my friends around me and am only speaking personally—all that will be necessary will be the evidence of Mr. Hill himself. I suggest that Mr. Hill be notified to hold himself in readiness in case we should want him on Tuesday. If so, we can telephone for him and possibly finish that case without sending to British Columbia for witnesses at all.

Mr. BARNARD.—I am interested in the case to which Mr. Carvell refers, and am also concerned in a Bill coming up before the Railway Committee on Tuesday. I shall be in a very awkward position if the two Committees meet that day.

Mr. CARVELL.—Well then, we will not take up that matter on Tuesday. There is another case in which Mr. Barnard possibly is interested, and that is Victoria Dredging. In connection with that matter Mr. Davy, who is a very important witness, is at present in the city. He is anxious to get back to Fort William, but could remain here until Wednesday.

Mr. BARNARD.—Is there no possibility of holding a meeting on Monday?



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Mr. CARVELL.—That will suit me all right.

The CLERK.—Do you want the Morrisburg witnesses for Monday also?

Mr. CARVELL.—No. If we are going to take up the British Columbia matters we shall need the attendance of Mr. Davy, Mr. St. Laurent, Mr. Hill and perhaps others.

Committee adjourned until Monday morning, 11 o'clock.

## HOUSE OF COMMONS,

Room No. 301,

MONDAY, March 6, 1916.

The Select Standing Committee on Public Accounts met at 11 o'clock, a.m., Mr. Bennett (Simcoe) presiding.

The Committee proceeded to the further consideration of a payment of \$1,003.25 to the Ottawa and New York Railway Co. by the Department of Militia and Defence, as set out at p. zz-31 of the Report of the Auditor General for the year ended March 31, 1915.

HON. MR. REID: I want to ask the Committee if they would allow me a few minutes. I notice by the press that one of the officers of the Customs Department gave evidence on Friday last with reference to goods brought across the St. Lawrence at Morrisburg, which was news to me. Mr. McDougald, the Commissioner of Customs, is here, and as the matter was arranged with him, not by Colonel Allison but by other parties, and as Mr. McDougald had no idea that anything was brought over, other than certain things he had given instructions were to be allowed to pass through, I would like if the Committee would allow Mr. McDougald to make an explanation. He can be sworn now, or at a later date. I think it is hardly fair to allow a wrong impression to be abroad any longer than possible as to what really occurred.

Mr. CARVELL: Speaking for this side of the Committee, we have no objection whatever to Mr. McDougald making his statement, and we do not even want him sworn.

HON. MR. REID: I would like Mr. McDougald to explain just what happened. I may say that a certain gentleman came to Mr. McDougald shortly after the war started—that is the explanation I have from Mr. McDougald. This gentleman was not Colonel Allison, but a very prominent citizen—

Mr. CARVELL: I hope there is no reflection on Colonel Allison.

HON. MR. REID: I am not reflecting on Colonel Allison or any other person. But the impression is that goods were brought into Canada for Mr. Allison. At all events, a certain gentleman came and asked for permission to have machine guns and their trucks brought over.

Mr. CARVELL: Did he ask that permission of the Minister, or of the Commissioner?

HON. MR. REID: Of the Commissioner.

Mr. CARVELL: Don't you think, Mr. Chairman, that we had better get this statement from the Commissioner?

Mr. JOHN McDUGALD took the stand and gave the following evidence:

Shortly after the outbreak of war, about the 2nd September I think—the war broke out on the 4th August—Captain Sifton came to me to endeavour to get machine guns and motor cars connected with them passed through Canada with as little delay as

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possible. The Customs Act provides that "firearms and munitions of war shall not be imported except from the United Kingdom of Great Britain and Ireland unless upon application to, and permission given by the Minister." I told him that we would facilitate his mission, and that instructions would be given that these would pass through without duty and with as little delay as possible.

*By Hon Mr. Reid:*

Q. I understand that afterwards he came and told you at what port?—A. They were to be brought in, as I understood it, at the port of Morrisburg. I gave no letter of instructions. I sent an inspector of customs with a letter of introduction to instruct the collector what he was to do. That is, he was to let them pass through without duty and as speedily as possible, those two articles.

Q. That means they were going over to the front for export?—A. It was the Sifton battery which was to be exported to Great Britain; and under the circumstances they would not be dutiable, nor would they be entered for duty. In the ordinary course they would pass in transit and not enter into our statistics.

*By Mr. Carvell:*

Q. Have you a copy of that letter?—A. No, I did not keep it, but I know exactly what was in it.

Q. Describe the letter?—A. It was a letter of introduction, introducing R. B. McDougald, as inspector of customs, on a confidential mission, who would tell you what was desired to be done; and there was no definition as to what was to be done or anything; that was verbal. The instructions given him, of course, will be disclosed here.

HON. MR. REID: Mr. McDougald's son, the inspector, is here also.

*By Mr. Carvell:*

Q. Had there been any understanding with Captain Sifton as to exactly what class of goods were to come through?—A. The machine guns and the trucks for them; that was all. There was no application made for anything else.

Q. When you sent the inspector to the collector at Morrisburg, was it your intention, at least, that this free entry was to apply only to machine guns and trucks?—A. That was all that was discussed.

Q. Did any person at any other time discuss with you the matter of bringing in any other goods in the same manner?—A. That is the only instance.

Q. So far as you intended to admit.

HON. MR. REID: That is at the port of Morrisburg. I think there are other munition entries at other ports.

MR. CARVELL: I am only referring to Morrisburg.

*By Mr. Carvell:*

Q. Then, so far as your intentions were concerned, you gave no instructions to allow anything else in the country under these conditions?

HON. MR. REID. At that point.

THE WITNESS: At Morrisburg. There was no application for anything else to me.

*By Mr. Carvell:*

Q. Mr. McDougald, did you at any time during the months of September, October or November, and up to the present time, receive reports from any of your officials, or from any outside source, of large quantities of goods, coming through in boxes and cases and passing through without any record being taken or entry being made?—A. No.

Q. And was the evidence which was given in this Committee last week the first intimation you had received of the true conditions of affairs?—A. I knew nothing about it except the instructions I gave.

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Q. So the information given in the Public Accounts Committee last week was the first intimation you had received of what had taken place at Morrisburg?—A. I must have known the guns were coming in, because I saw them, but I received no other information.

Q. You have read the evidence given here last week?—A. Yes.

Q. You have read the evidence that bales and boxes of all sorts and descriptions came, sometimes 40 and 50 at a time?—A. Munitions of war, he called it.

Q. He called them boxes. A. The munitions were contained as I understand it, in boxes.

Q. I want you to tell me—A. That is the guns.

Q. No, no. My recollection of the evidence is, and if I am wrong the Chairman can correct me—he saw boxes, but did not know their contents, because, as he said himself, he could not see through an inch board. He says he did not know what was in these boxes, but they came forward and there were, according to him, if my recollection is right, hundreds of these boxes on the platform and on the bank of the river which had been brought over on the ferry. Apparently the boxes contained all sorts of things, but he had no knowledge of what was in them?

THE CHAIRMAN: That is a fair way to put it.

HON. MR. REID: You are referring to the officer at Morrisburg?

MR. CARVELL: Yes, the officer, the collector of customs there.

THE WITNESS: Well, he says he didn't know. They were in boxes he says, and he supposed they contained munitions of war. Now, machine guns, I understand, are boxed or come in a boxed condition.

*By Mr. Carvell:*

Q. Would the trucks come in boxes?—A. I don't know that the trucks would come that way.

Q. Anyway, the substance of your evidence is that you never heard of anything being brought in at Morrisburg without being entered in the customs, excepting the machine guns and the trucks?—A. He got no instructions to admit anything else.

Q. I want to be fair with you but you are not answering my question—A. No, I don't know anything else being brought in.

Q. Had you heard of anything?—A. I heard nothing about it until afterwards.

Q. Up till the time this matter was brought up before this Committee?—A. Yes.

*By Mr. Blain:*

Q. Then the officer was wrong when he said you gave him written instructions?—A. I gave him no written instructions.

Q. What you gave him was a simple letter of introduction?—A. It was a simple letter of introduction and nothing else.

HON. MR. REID: As Mr. McDougald's son, the Inspector who called upon Collector Drew, is here, I would like him to make a statement.

*By Mr. Carvell:*

Q. One minute, would you kindly, Mr. McDougald, relate, or give us the wording of that letter as nearly as you can? Having written the letter you ought to be pretty nearly able to repeat it.

HON. MR. REID: Perhaps his son might be able to do that.

MR. CARVELL: I want the Commissioner to do that.—A. It would be in the usual line of an introduction: "The bearer, R. B. McDougald, Inspector of Customs, is calling to see you on a confidential matter. He will inform you what is required to be done." To that effect.

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*By Mr. Carvell:*

Q. Then your recollection is that there was nothing in the letter which—A. Oh, nothing whatever—

Q. Which gave permission for these wholesale importations?—A. No.

Witness discharged.

Mr. R. B. McDougald called, sworn and examined.

*By Hon. Mr. Reid:*

Q. Mr. McDougald, you heard your father's statement here. Did he give you a letter of introduction to the Collector of Customs at Morrisburg?—A. He did.

Q. You heard him describe the nature of the letter?—A. I did.

Q. What was that about the wording of it?—A. Yes, about the wording. As far as I can remember that would be the wording.

Q. There was nothing in it beyond a letter of introduction?—A. No, nothing.

Q. Now, tell the Committee what directions you gave Collector Drew. A. I got into Morrisburg. I left here—

MR. McKENZIE: What became of the letter itself? It would be the best explanation available.

*By Hon. Mr. Reid:*

Q. Have you the letter referred to?—A. I did not keep the letter. I very seldom keep those things. There is no necessity for keeping them.

*By Mr. Sinclair:*

Q. Is there a copy kept in the office?—A. No, it was written by pen and no copy of it kept. I very often get such letters and no copy is kept of them at all.

*By Hon. Mr. Reid:*

Q. What instructions did you give Collector Drew?—A. Well, I saw him in the evening. I told him that there was certain machinery coming for the Sifton Machine Gun Battery, and as it was necessary it should be despatched with as much rapidity as possible and with as little hindrance, and I would not say definitely whether I told him not to manifest it or not, but I told him to have the stuff handled as rapidly as possible, that the likelihood was that the stuff would come over at night and that in order there would be no delay in the matter he would see they were not hindered on the frontier.

*By Mr. Carvell:*

Q. It was not hindered?—A. It was not held up on the frontier because they were very anxious to get the material in a hurry. You see it was only a month after the war broke out.

Q. Did you describe to Collector Drew in any way what was the character of the goods that were coming in?—A. Simply that they were to be boxed, they would come in cases to a very large extent, I did not know myself exactly.

Q. Did you explain that to him?—A. I told him that they would be simply boxed.

Q. And did you tell him who would bring them in?—A. That they would be in charge of Captain Sifton or to his order.

Q. He says you mentioned Colonel Allison to him. A. No, sir, I never heard tell of Colonel Allison at that time.

Q. He says that you mentioned Colonel Allison and others. A. No. I did not know anything about anybody else but Captain Sifton so I could not have mentioned it to him.

Mr. R. B. McDougald.



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Q. Over what territory does your jurisdiction extend?—A. Wherever I happen to be sent.

Q. Then you are a free lance?—A. A free lance.

Q. Did you go back to Morrisburg during the next month or two?—A. I was never in Morrisburg before or since.

Q. Did you do anything in order to see how the officer was carrying out your instructions?—A. I had no instructions and I did not do it. I simply gave my instructions and left the next day.

Q. I think you gave him your card?—A. I gave him my card.

Q. Did you give him a letter?—A. Simply showed him the letter of introduction and then took it up and carried it away.

Q. Have you any idea what became of it?—A. My recollection is that I destroyed it, as I usually do with these papers.

MR. CARVELL: I would like to give you a word of advice, and that is: Never destroy a paper.

HON. MR. REID: There may have been reasons for it at that time.

*By Mr. Carvell:*

Q. Did Captain Sifton ever come back and report to you that he had gotten these goods through?—A. No, he never did.

Q. Did anybody ever report to you that all sorts of boxes and cases were going through Morrisburg day and night?—A. Not that I recollect.

Q. Did anybody ever report to you that goods other than machine guns were coming through Morrisburg?—A. No.

Q. So the first intimation you received that the port was wide open to Colonel Allison and others was when it was disclosed to the Public Accounts Committee last week?—A. Simply the notice in the city papers. That was the first intimation I had of it.

*By Mr. Blain:*

Q. When Mr. Drew said this in his evidence he was wrong, as I understand you, he was asked "You say you received instructions to allow goods addressed to certain parties to come in free," and he said that he was told that it was Miss Edwards and others to whom the goods were addressed?—A. I never heard tell of those parties until I saw it in the report.

Q. Do you know of any letter in the Department giving any such instructions to Mr. Drew?—A. No, sir.

Q. In that respect Mr. Drew was wrong?—A. Absolutely.

Q. He said that your orders were that goods that were consigned to Colonel Allison and other parties were not to be interfered with. You say you never mentioned any person's name except Captain Sifton?—A. Captain Sifton is the only man I knew.

HON. MR. REID: I would like to say, speaking for myself, that about that time Captain Sifton's name was mentioned to me.

MR. SINCLAIR: Who is Captain Sifton?

HON. MR. REID: I think he is the eldest son of Sir Clifford Sifton?

*By Mr. Sinclair:*

Q. Did he go with you to Morrisburg?—A. No, he did not go with me to Morrisburg.

Q. Was Captain Sifton in Ottawa?—A. He was in Ottawa at the time I left there.

HON. MR. REID: As I understand it, Captain Sifton's father was making a large contribution to this Machine Gun Battery, and he went to the Commissioner and asked permission to bring them over at a point to be named afterwards. The Commissioner mentioned it to me and there was at that time, it was shortly after the war broke out,

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and for some little time afterwards, doubt as to whether or not articles of that kind would be allowed to come into Canada; that is there might be a possibility of some objection being raised on the other side. Not only Captain Sifton, but others too who wanted to pass munitions through Canada to send them over to the front, asked the Customs Department to give every facility to the passage of that kind of material in order that it should pass through without any delay. The request was complied with and the necessary instructions were given by Mr. McDougald to the officers in that particular case and also to the officers at other places where similar articles were shipped through. In any case the rule is that all these goods are bonded through in the ordinary course, and, under ordinary circumstances, of course, records are kept as they come in and go out. But, as I have said, this was shortly after the war broke out and as someone might object to these things going through free they were allowed to pass without the usual records being kept as they would have been in normal times. With reference to this case at Morrisburg all I want the Committee to know, and all I want the public to understand is, that the application was made by Captain Sifton to Commissioner McDougald for the goods he was bringing in at that time.

MR. SINCLAIR: He had reference to the machine guns only.

HON. MR. REID: Yes. He requested that the goods that were to be brought in at that time would be allowed to come in and to go through Canada with as little trouble as possible. That permission was granted by the Commissioner. Outside of that I never heard of any permission or application for any goods to be brought into Morrisburg except those connected with Mr. Sifton's Machine Gun Battery. So that if the Collector allowed these other goods to come in he did so, as I suppose, under the impression that they were all intended to go through to the front, and acted on his own initiative, or he misunderstood the instructions that were given to him.

MR. SINCLAIR: How could the collector tell what was in the boxes?

HON. MR. REID: Only by examining them as in any other case.

MR. CARVELL: He could not examine them.

HON. MR. REID: No, he could not except he took the tops off the boxes. But when goods are going through in bond they never examine them, they put them in the car and manifest them, and they go through. I might say that we have had other applications for munitions to go through. The position is entirely different now. There is no objection to such goods coming into Canada, but this was within the first five or six weeks of the war. We were getting the contingent ready at Valcartier and we were anxious to get them equipped with these machine guns, munitions and other goods that we could not get on this side of the line. If there was anything but machine guns in these shipments that came through we knew nothing about it. I wanted the Committee to know, as far as the Customs Department are concerned that these are the only instructions that were given.

MR. CARVELL: Will the hon. Minister permit me to ask him a question? I only put this as a mere supposition—but would the Minister say that the Commissioner gave this authority entirely on his own motion or did he receive instructions, or even an intimation from the Minister or somebody else before he gave that authority?

HON. MR. REID: My impression with relation to the matter is that Captain Sifton went first to Mr. McDougald and asked him for permission to bring in these guns, and Mr. McDougald mentioned the matter to me, that is as far as I can remember, and I agreed with him that he should let the Sifton Battery pass through at any port he could name, and have them pass through as easily as possible, as the Captain stated that they wanted them to go right across to the front.

MR. CARVELL: Then it would be fair, to sum it up briefly, to say that the Minister adopted the principle and allowed the Commissioner to work out the detail, as he did?

MR. R. B. McDUGALD.

## APPENDIX No. 1

HON. MR. REID: Only in reference to this one case of the Machine Gun Battery, in regard to which I agreed with the Commissioner that we should do all we could.

MR. CARVELL: That is only another illustration of the necessity of having Colonel Allison here, because it looks to me as though the Customs Department has been grossly misled in the whole transaction. There seems to be a difference of opinion between the Collector at Morrisburg and the Commissioner. The Collector when here acted as a man who thought he was carrying out his instructions and I think it is most important that we should have before us the exact instructions which he received from the Customs Department.

HON. MR. REID: You can readily understand that, in a small port of that kind, a man might misinterpret his instructions. I do not think that Mr. Drew knew he was doing anything wrong.

MR. CARVELL: I do not, either, because he appeared to be rather annoyed that he was ordered to pass these goods.

HON. MR. REID: The whole thing shows the necessity for having this matter cleared up.

MR. CARVELL: Not by the Customs Department?

HON. MR. REID: No, by this committee. As to the absence from the files of the Department of any letter giving instructions to pass these articles, I might say that at that time, September 2, there might be some doubt about the situation, it was just a few days after the war broke out, and, I think the committee can understand, the officials of the Department felt that it would be advisable not to have any more records than necessary on the file in case any difficulties were raised.

MR. SINCLAIR: These records are all private of course and anything relating to the war you could suppress if you wished.

HON. MR. REID: Yes, we would not want to have any trouble about it, and there will not be any trouble now because we can let them in without any question. But I feel that probably Mr. McDougald would not want to have any record; I know, if I were giving instructions, I would not want to have any, and therefore he thought it better to send some person upon whom he could depend to give the necessary instructions to the collector at Morrisburg so that he would not have too many letters lying around.

MR. SINCLAIR: What objection was there to allowing the goods to come in and making an entry of them in the regular way?

HON. MR. REID: At that time there was considerable doubt as to whether the export of munitions and guns would be allowed by the United States.

MR. SINCLAIR: I can quite understand that there might be an objection to having the records on the American side, but I cannot see where the objection would apply with regard to the Canadian side, where the records are all under our own control. Can you see any reason?

HON. MR. REID: There might be this reason: if an American citizen were selling these goods for France. Captain Sifton was to make a present of the machine gun battery for this contingent that was going over, and it was impossible to get it in Canada. If there was any objection to exporting it from the United States, if he could get some American to land it on that American island opposite Morrisburg; then there was no record of it ever having been exported or imported and it might be very difficult to prove where it went to, and, of course, if we had a record on this side the American Government might ask us for it.

MR. SINCLAIR: Don't you think it undignified that the Canadian Department of Customs mixed itself up with a matter of that kind, that goods should be sent to an island in the middle of the river, falsely addressed, and sent to our side?



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Hon. Mr. REID: That is the evidence that was given, Mr. Sinclair; but the only permission that was asked of the Customs Department was that these goods be allowed to come in at Morrisburg. We did not know the way they were being brought in until we saw the evidence the other day.

Mr. SINCLAIR: Were they admitted free?

Hon. Mr. REID: It was a free entry; it was only to be allowed to pass through Canada on its way to the front.

Mr. CARVELL: Mr. Reid, following that up, would it not have been the duty of the Customs Department, in the ordinary course of business, to have kept some track of these things, and to have some knowledge of what was coming in?

Hon. Mr. REID: In the ordinary course of business these goods would have been put in a car and bonded through. We would have had a record.

Mr. CARVELL: Even outside of that, would it not have been the duty of the Department to have kept some record of the matter, to have had a man there to keep his eyes open?

Hon. Mr. REID: These were war times; and we did not want any more records of things of that kind than necessary.

Mr. CARVELL: A man might have stood there to look things over without putting it down on paper.

Mr. HUGHES (Kings): How many guns constitute a battery?

Hon. Mr. REID: I really do not know.

Mr. CARVELL: There ought to be somebody on this Committee who would know. It seems to me that it was ten, but I am not certain.

Hon. Mr. REID: I think that was all. I was going to say I thought there would be ten.

Mr. HUGHES (Kings): How many boxes would that necessitate?

Hon. Mr. REID: A military expert can tell you that.

Mr. CARVELL: A machine gun is not as big as the limber of an ordinary cannon is; it is not as big as an ordinary dump cart.

Hon. Mr. REID: They would have to have the gun and the trucks and the ammunition. There may have been a lot of ammunition.

Mr. CARVELL: No. The machine gun uses the ordinary .303 ammunition.

Hon. Mr. REID: I do not know. However, the only part we wished to clear up was the question of entry.

Mr. BLAIN: The only reason why the order was given to Mr. Drew, the customs officer at Morrisburg, was because Sir Clifford Sifton was making a gift of this battery.

Hon. Mr. REID: It was given at Morrisburg because Captain Sifton stated they were giving this battery, and they wanted it to come through as easily as possible.

Mr. SINCLAIR: Where is Captain Sifton now?

Hon. Mr. REID: I do not know.

Mr. BLAIN: Had it not been a gift, there would have been no order given.

Hon. Mr. REID: Had any one wanted to take such things through Canada, right over to the trenches to help save the lives of our men, I am of the opinion that we would have let anything go through.

*By Mr. Chisholm (Antigonish):*

Q. Did you personally know what Sifton was going to import?—A. Simply material in connection with this battery. I knew there were guns and carriages.

Q. From whom did you obtain that information?—A. From the Commissioner.

Mr. R. B. McDougald.



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Q. Give in detail what information you got from the Commissioner? What did the Commissioner tell you? You did not go blind down there?—A. He simply told me that there was certain material coming for the Sifton machine gun battery, wanted in a hurry, and which was likely to come in at Morrisburg, and it was wanted to be forwarded with as much despatch as possible.

Q. And did he tell you to go to the officer there and have the officer admit that without any question?—A. He gave me a letter of introduction.

Q. Did he tell you to go to the officer and hand this letter to him?—A. Certainly.

Q. And then he gave you a letter of introduction?—A. He gave me the letter, yes.

Q. Did he intimate to you what quantity of stuff was likely to come in and when it was to come in?—A. Not to my recollection.

Q. So that the information that you had was that some stuff was going to come in for the Sifton battery, and you were to tell the officer to let that stuff in without any details being given at all?—A. I was to tell him to facilitate the despatch of it?

Q. But you did not know what quantity of stuff, or the nature of the stuff, except in a general way? A. It was machine guns and equipment for the battery.

Q. Were there any written instructions given you?—A. Absolutely none.

Q. When you got that letter of introduction and went to the officer with it, did it occur to you that the letter was the officer's?—A. The letter was introducing me.

Q. Did you hand it to the officer?—A. I showed it to him.

Q. That letter was addressed to the officer, introducing Mr. McDougald, was it not?—A. I would not just say how it was addressed.

Q. It was a letter addressed to the officer introducing you?—A. I think it was a letter of instructions to me to intimate to the collector that I was a properly qualified officer.

Q. It was a letter to you and not addressed to the officer introducing you?—A. Would you mind repeating the question,.

Q. Do you mean that the letter was one of authority to you, and not one to the officer introducing you?—A. I could not just tell how the letter was exactly worded.

Q. Was it a letter to the officer introducing you?—A. I presume it was.

Q. Why did you take that letter back?—A. I did not know any particular reason for not doing it.

Q. What authority do you suppose the officer had to let that stuff in if not that order?—A. My verbal instructions.

Q. And so far as the record was concerned, he was left at the mercy of your verbal instructions. Did that occur to you?—A. I never thought of it.

*By Mr. Sinclair:*

Q. Did you tell him how many articles there would be?—A. I did not know Mr. Sinclair.

Q. Did you tell him to whom they would be addressed?—A. I did not know who they were addressed to, nothing except that Captain Sifton was looking after them.

Q. Did you know they were to be put on the Allison island?—A. I did not. I was not interested on the American side.

*By Mr. Carvell:*

Q. I do not want to prolong this. Now, Mr. McDougald, the reason I ask you this is because there seems to be some difference of recollection between you and Mr. Drew. If you did not know to whom these goods were to be addressed, you did not know what quantity, or number of cases, or what there was to be at all. How was the collector to know what goods to allow through, and what not to allow through? Don't you see there must be something to put in that you have not told us. How would the collector know what goods to allow through?—A. I doubt if Captain Sifton himself knew how many things were coming through.

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*By Hon. Mr. Reid:*

Q. Were your instructions to allow in goods consigned to Mr. Jack Sifton, or that he was free to accept without duty the goods that were to come in?—A. Captain Jack Sifton, I understood, was looking after the goods on the Canadian side.

*By Mr. Carvell:*

Q. You have not told us yet what were your instructions to the collector. You surely must have told him that he was to allow through goods directed to somebody?—A. I did not know who they were directed to, simply to the charge of Jack Sifton. They may have been directed to any person.

Q. You went to the collector and told him to allow anything through that Mr. Jack Sifton wanted through?—A. For the Sifton machine gun battery.

Q. Anything that Jack Sifton told him was for the Sifton battery was to be allowed through free, without regard to whom it was consigned or directed?—A. I did not say anything about the address given.

Hon. Mr. REID: As I understand, these machine guns were to go on through to Valcartier.

Mr. SINCLAIR: Without any entry in the customs?

Hon. Mr. REID: Without any entry of them, and they would go over with the regular contingent. They were put on war vessels and went over with the soldiers.

Mr. SINCLAIR: Would that be true of all the goods shipped in that way from the United States?

Hon. Mr. REID: Any munitions that came over to Canada for overseas went through without any record of export. It was all put on the war vessels, without entries being taken by the customs.

*By Hon. Mr. Crothers:*

Q. In the regular course are Customs Officers required to make entries concerning goods entering duty free?—A. There is the usual duty of customs officers at a port.

Q. Did your instructions to Drew include that he was not to make any entries touching these goods?—A. He would not make the entries.

Q. That is hardly answering the question. Did your instructions to him include telling him not to make any entries concerning these goods?—A. I told him to facilitate the despatch of the goods.

Q. Without saying anything about entries?—A. I did not say anything about entries.

*By Mr. McKenzie:*

Q. I understand you are an inspector of customs, Mr. McDougald? What is the nature of your duties?—A. Largely investigating.

Q. Investigating what?

Hon. Mr. REID: Perhaps I might explain we have half a dozen men we send out to ports when we have special work to do. We have our regular staff who have a certain district and then there are special inspectors.

Mr. McKENZIE: I understand something about the duties of men who are on the watch to see that goods are not smuggled into the country. I know something in a general way about their duties.

Hon. Mr. REID: They are called preventive officers.

*By Mr. McKenzie:*

Q. Has the department any such officers as preventive officers at Morrisburg or in that region?—A. A collector of customs.

Mr. R. B. McDUGALD.

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Q. Only a collector of customs? I am talking about Morrisburg. We have been told here as a matter of evidence that large quantities of goods came across the frontier under the supervision and guidance of Colonel Morgan and Miss Edwards. Is there any officer of the department whose duty it would be to protect the country against the bringing in of goods in that way irregularly?—A. It would be practically any officer's duty, as a customs officer.

Q. Do you mean to tell me the customs service of Canada is so lax that there was nobody ever detected these goods that were coming in? Is that what you mean to tell this Committee? (No answer).

Q. How do you explain these large quantities of goods coming in, brought in by Colonel Allison, who according to the Commissioner had no authority at all? How do you explain that Colonel Allison could for weeks or days continue to bring these goods in, and yet nobody reported to the department?—A. Was there not a collector there?

Hon. Mr. REID: Was it not the evidence that these goods passed under the collector's own eyes?

Mr. CARVELL: No, he saw a few of these boxes in Waddington on the station platform when he was over there on other business.

Hon. Mr. REID: Did the goods not pass right through Morrisburg? Is that not what the evidence shows?

Mr. CARVELL: The witness Drew says the boxes were lying all around the river bank. There were some he saw and others he did not see.

Hon. Mr. REID: Then he could not have been doing his duty.

*By Mr. McKenzie:*

Q. My question is, have you no officer whose duty it was to prevent any such importations as were taking place under the guidance of this man Allison?—A. It was the collector's duty.

Q. Nobody else?—A. He is directly in charge of the out-port.

Q. Is there nobody else higher up than the Collector of Customs who would look after these doings of Colonel Allison?—A. He would not be on the ground.

Q. You say there is no such officer, do you?—A. The Collector of the District has charge of his out-ports.

Q. What are the office hours of the Collector of Customs at Morrisburg?—A. I could not say that off-hand because he is on the boats to a certain extent going up and down the river.

Q. Have you any idea what his office hours are?—A. They would be from nine to five or six.

Q. Then he is off duty after five?—A. He is always a Customs Officer.

Q. He is off duty at five o'clock?—A. Officially, yes.

Q. Then from five o'clock to nine o'clock next day, nobody looks after the place at all, is that what you mean to tell us?—A. Goods are prohibited from importation after that hour.

*By Hon. Mr. Reid:*

Q. Is it not the fact, Mr. McDougald, that this is the custom and has always been the custom throughout Canada?—A. Certainly.

Q. You have one officer in a small port like Morrisburg?—A. Yes.

Q. You do not get Preventive officers running round doing special duty from five o'clock at night until nine o'clock the next morning?—A. Except there is a train crossing the frontier or at some special place where there is necessity for it.

Mr. CARVELL: There must be more Customs Officers than the one.

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Hon. Mr. REID: There is one at Iroquois, eight miles west, and one at Aultsville, eight miles east, every eight miles there is one. Then there are these collectors, whose hours are over at say six o'clock in the evening.

*By Mr. Blain:*

Q. When you gave your instructions to Mr. Drew, it was confined to military goods exclusively?—A. Exclusively to the Sifton Battery.

Q. In any case, it was confined to military goods?—A. For the Sifton Battery.

Q. And when Mr. Drew says the door was wide open to imports he is absolutely wrong as far as you are concerned?—A. As far as I am concerned.

*By Mr. Carvell:*

Q. According to the Auditor General's Report the New York & Ottawa Railway Company gave a special train service to Col. J. W. Allison for \$105. I want to ask you if you know anything about this. Do you know of any goods having come through from the United States to Canada by train, or any trainload of goods which came across the border in any way, passing through without paying duty?—A. I do not.

Q. Have you ever heard of any such thing?—A. No.

*By Hon. Mr. Reid:*

Q. Did you ever learn of it before until you saw it mentioned here?—A. I don't know anything about it.

*By Mr. Chisholm (Inverness):*

Q. In the course of your business have you had letters of introduction to other customs officers in different parts of Canada?—A. Occasionally.

Q. To whom were they addressed?—A. To the officer for whom they were intended, just simply to the officer.

Q. To whom did you give them?—A. Sometimes they might not be addressed to the collector, it might be a general letter of introduction saying that I was an inspector of customs.

*By Mr. Blain:*

Q. A letter for the purpose of identification?—A. Yes.

*By Mr. Chisholm (Inverness):*

Q. Do you recollect to whom the letter in question was addressed?—A. No, I do not.

Q. In other cases have you always destroyed such letters?—A. I have not any such letters now, I was looking through my papers and find I have not any letters of introduction, therefore I must have destroyed them.

*By Mr. Carvell:*

Q. Is it possible that you may have left any of the other letters of introduction with the person to whom they were addressed?—A. Possibly.

*By Mr. Sinclair:*

Q. Did you ever examine the customs book at Morrisburg before?—A. I was never there before or since.

*By Mr. Hughes (Kings, P.E.I.):*

Q. I have never seen any letter of introduction yet that was not addressed to the person to whom the introduction was given. You do not remember distinctly how this letter was addressed?—A. Which letter do you refer to?

Mr. R. B. McDOUGALD.



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Q. This letter to Collector Drew?—A. I do not remember distinctly, no.

Q. And you say that on all occasions you destroyed those letters of introduction after using them?—A. I would not say that in all cases I did. I might leave them with the party in some cases, but it is a matter to which I did not pay much attention.

*By Mr. Blain:*

Q. In this case your letter was not prepared with a view to giving the instructions to the officer, but simply to introduce you and you went to Morrisburg for the purpose of giving instructions to the collector personally?—A. Certainly.

*By Mr. McKenzie:*

Q. Was this letter of introduction to Mr. Drew taken back by you or destroyed on your own initiative, or were you acting on instructions in doing so?—A. It would be entirely on my own initiative, whatever was done with it.

Q. You had no instructions to take it back?—A. No.

Q. Do you remember if you told the officer at Morrisburg that these goods were to come in through or under control of Captain Sifton?—A. I think that is already in the evidence; they were to come through for Captain Sifton.

Q. Did you tell him that Captain Sifton would be in charge of them?—A. I did not know who would be in charge of them, whether it would be Captain Sifton or not.

Q. Did you tell him who would be in charge of them when they came through?—A. No.

Q. You left him entirely in the dark as to who would be the consignee of the goods?—A. I presumed that Captain Sifton would be there at some time.

Q. Did you give him a description of Captain Sifton?—A. No, I think he knew Captain Sifton.

Q. Captain Sifton was not with you?—A. No.

Q. Do you not think it would have been safer to have brought this man with you to the collector and have said to him, "This man will bring in these goods"?—A. I presumed that he knew the man because he did not ask about him. I told him it was Captain Jack Sifton.

Q. You say you do not know who was to receive the goods?—A. No, not beyond Captain Sifton.

*By the Acting Chairman:*

Q. You knew that the Siftons lived near there did you not?—A. I knew they had a summer home at some place on the St. Lawrence.

Witness discharged.

Mr. CARVELL: Before the Minister (Hon. Mr. Crothers) leaves, I want to mention the fact that several witnesses have been summoned from Morrisburg to appear before the Committee on Friday in connection with this investigation. I think it is quite evident from the evidence given this morning that we must have Colonel Allison and Miss Edwards here before we can get anything like an intelligent appreciation of the transaction that took place at the port of Morrisburg. As Colonel Allison is an officer of the Militia Department, and it was stated by the Minister of Militia last year that he had appointed these men as honorary colonels in order that the Department could have some control over them, I would ask the Minister representing the Government here this morning if he will take steps to have the Department of Militia and Defence take the necessary action to have Colonel Allison attend before this Committee.

Hon. Mr. CROTHERS: I do not think that the fact that you make a man an honorary colonel gives the Department of Militia and Defence any control over him.

Mr. R. B. McDUGALD.

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Mr. CARVELL: That was the reason given by the Minister last year for making these appointments.

Hon. Mr. CROTHERS: I do not think that is so, that the department has any control over this man, simply because he is an honorary colonel, but I will see the Minister of Militia and communicate your wishes to him. I recognize the necessity of having Colonel Allison here and will do all I can to secure his attendance.

Committee adjourned.

## HOUSE OF COMMONS,

COMMITTEE ROOM, No. 301,

FRIDAY, March 10, 1916.

The Select Standing Committee on Public Accounts met at 11 o'clock, a.m., Mr. Blain presiding.

The ACTING CHAIRMAN: Mr. Howe has a letter which he will read to the Committee.

The CLERK: (Reads)

POST OFFICE INSPECTOR'S OFFICE,

OTTAWA, March 9, 1916.

Postmaster,

House of Commons,

Ottawa.

With reference to your letter of the 2nd inst., regarding two registered letters posted at the House of Commons, February 25 by T. B. Fint, addressed to:

Miss Mabel Edwards,

and

J. Wesley Allison, Esq.,

Morrisburg, Ont.

I beg to say that the Postmaster, Morrisburg, states:

"The registered letters in question were received at this office February 26 and were delivered the same day to 'Dan Daily' agent for the addressees."

Yours truly,

P. F. COOLICAN,

*P. O. Inspector.*

Mr. CARVELL: Before we proceed, I have had an opportunity of consulting with some of my friends around me about the Victoria coal case, and so far as we are concerned on this side we are willing to have the investigation closed and reported to the House, and it will not be necessary to bring any witnesses from British Columbia.

The ACTING CHAIRMAN: Is it agreed that this case be closed and the evidence reported to the House?

Carried.

The Committee proceeded to the further consideration of a payment of \$1,003.23 to the Ottawa and New York Railway Co. by the Department of Militia and Defence as set out at page ZZ-31 of the Report of the Auditor General for the year ended March 31, 1915.

## APPENDIX No. 1

Mr. J. F. MYERS called, sworn and examined.

*By Mr. Kyte:*

Q. Where do you reside, Mr. Myers?—A. Morrisburg.

Q. What is your position there?—A. Grand Trunk agent.

Q. Were you Grand Trunk agent in 1914?—A. Yes, sir.

Q. Do you know Colonel J. Wesley Allison?—A. I do.

Q. Do you know Colonel H. G. Morgan?—A. No, sir.

Q. Do you know Miss Mabel Edwards?—A. Yes, I do.

Q. Do you know a gentleman named Seyfort?—A. No, sir, I do not.

Q. Did you bring any bills of lading with you?—A. No, sir.

Q. Did your subpoena call for the production of bills of lading?—A. It called for the production of bills of lading, but I did not know what it meant.

Q. Are you express agent as well as station agent?—A. I am just station agent.

Q. Do you know of any goods coming across from the United States to Morrisburg in the month of September, 1914, addressed to Colonel Allison?—A. No, I could not say.

Q. What do you mean by that, that you cannot distinctly recollect?—A. I could not say where they came from.

Q. Do you remember any goods coming addressed to Colonel Allison in 1914?—A. Coming to Morrisburg station, do you mean?

Q. Yes.—A. No, I do not.

Q. Do you remember any goods passing through your hands addressed to Colonel J. W. Allison during that year, during the months of September, October or November, 1914?—A. No, I do not.

Q. Would your books show any record as to whether or not goods came addressed to Colonel Allison?—A. Yes, our inwards freight book.

Q. You did not bring that with you?—A. No.

Q. It is in your custody and control at Morrisburg?—A. Yes.

Q. Have you the subpoena that was served upon you?—A. Yes. (Producing and handing to Mr. Kyte.)

Q. Who served the subpoena upon you?—A. I received it through the mail.

Q. You read it over?—A. Yes.

Q. Do you know that you were asked to give evidence before the Select Standing Committee on Public Accounts of the House of Commons respecting a payment of \$1,003.23 to the Ottawa and New York Railway Co. by the Department of Militia and Defence?—A. Yes, sir.

Q. Did you make any inquiry as to what that referred to?—A. No, I did not.

Q. Did you consult anybody as to what papers you ought to bring?—A. No.

Q. Do you have any recollection of any goods coming addressed to Miss Mabel Edwards?—A. No, sir.

Q. Your books would show whether or not they were received by you?—A. Yes, our books would show.

The ACTING CHAIRMAN: Is there any confusion about the railway? He is the agent of the Grand Trunk railway.

Hon. Mr. RED: There is only one railway that goes to Morrisburg.

Mr. KYTE: There is no Ottawa and New York railway at Morrisburg, just the Grand Trunk railway.

*By Mr. Carvell:*

Q. There must be bills of lading?—A. I do not remember of receiving a thing for Colonel Allison.

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Q. Do you remember sending anything out for Colonel Allison?—A. Colonel Allison shipped goods from there, but I do not remember of receiving any goods.

Q. Did you send goods out for Colonel Allison, or did you send goods out of which Colonel Allison was the shipper?—A. Yes, sir.

Q. To whom were they shipped?—A. I believe to Colonel Price, Quebec.

Q. At Quebec?—A. Yes, sir.

Q. Have you brought any bills of lading regarding those shipments?—A. No.

Q. Have you got them in your office?—A. They are likely on file.

Q. And your books would show the transactions?—A. Yes.

Q. Did you have any correspondence regarding it?—A. No, no correspondence.

Q. And the bills of lading, and the books would show the whole transaction?—

A. Yes.

*By Mr. Kyte:*

Q. Did you get any telegrams or instructions in writing from Colonel Allison respecting those books?—A. No, sir.

Hon. Mr. REID: Perhaps I might explain the situation at Morrisburg. I live within a very short distance from it. The Grand Trunk passes through Morrisburg, I should say probably about a mile from the water's edge. The village is quite a distance away. Now, this witness would not know what goods would come to Morrisburg for Colonel Allison. If anything came there from the American side, it would be ferried over and carted about a mile up to the station where he would ship them, so it is not likely that there would be anything come but the goods he would ship.

*By Mr. Kyte:*

Q. Mr. Myers, you are then shipping goods out of Morrisburg?—A. Yes.

Q. For Colonel Allison?—A. Well, Colonel Allison was the shipper.

Q. Yes, he was the shipper. Will you tell us what time that was?—A. I think it was the first two weeks in October.

Q. The first two weeks in October.—A. I would not be certain.

Q. What year, 1914?—A. Yes.

Q. Did he ship them as early as the month of September?—A. No, I do not think so.

Q. Do you know what the character of these goods is?—A. They were waybilled as shovels.

Q. What quantities were sent out?—A. Why, some shipments would have as high as 40 cases.

Q. Some shipments as high as 40 cases. How many shipments altogether were there?—A. I could not say for certain, I suppose there would be, oh, probably a dozen.

Q. There would probably be a dozen?—A. Yes.

Q. Did you handle them in any way yourself?—A. No, just waybilled them.

Q. You have no information yourself as to what these packages contained except what you were told?—A. Yes.

Q. Over what period of time did that shipment cover?—A. I think it was the first two weeks in October, that would take it all.

Q. The first two weeks in October would take it all. Have you any information as to whether any clothing was shipped by you?—A. No, sir.

Q. Do you know anything of what is known as the Sifton Battery coming across to Morrisburg in the fall of 1914?—A. No, sir.

Q. Would you know what that Sifton Battery consisted of? There was something about it in the papers at the time?—A. No.

Q. So far as you recollect then, the goods you received were manifested as shovels?—A. Yes, sir.

Q. There were as high as 40 cases in some of the shipments you say?—A. Yes.

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Q. And there were about a dozen?—A. About a dozen different shipments.

Q. Will you describe those cases, the size of them?—A. I should judge they would be 6 feet long by a foot wide, very heavy, weighing about 500 pounds apiece.

Q. How high would they be?—A. I suppose a foot.

Q. The cases would be a foot square and 6 feet long?—A. Six feet long I think.

Q. Did you personally handle all these cases and see them?—A. I checked them personally.

Q. You actually saw these cases?—A. Oh, yes.

*By Hon. Mr. Reid:*

Q. They weighed about 500 pounds?—A. That is what they were waybilled at.

Q. They would not be clothing of any kind if the weight was 500 pounds in a case you have described. You said, Mr. Myers, that they were shipped to Colonel Price at Quebec or Valcartier?—A. No, Quebec.

Hon. Mr. REID: Colonel Price, as I understand, was in charge at Quebec. The reason I mention that is that I understand he was in charge of the loading of the vessels for export at Quebec, at that time.

Mr. CARVELL: We understand that the shovels went to Valcartier.

Hon. Mr. REID: I would like the committee to understand what Colonel Price's position was in Quebec. Any one who was at Valcartier will remember that he had charge of a certain portion of the work at Valcartier, and I know myself he had charge of the loading of the transports with military goods.

*By Mr. Kyte:*

Q. Have you an assistant at Morrisburg, Mr. Myers?—A. I have a porter.

Q. When were these shipments made, what time of the day?—A. They were made early in the morning to allow them to catch the local freight.

Q. Would you be cognizant of all shipments that went through from Morrisburg?—A. Yes, I bill everything that goes through.

Q. On the Grand Trunk?—A. Yes, sir.

*By Hon. Mr. Reid:*

Q. Anything that Colonel Allison shipped then, he might not possibly ship anything other than to Quebec?—A. No, he did not.

*By Mr. Kyte:*

Q. Do you know of Miss Edwards shipping any goods?—A. Well, Miss Edwards had power of attorney to sign Mr. Allison's name. Sometimes she would make the shipment, you see.

Q. Of what class of goods?—A. The same shovels.

Q. Did Miss Edwards make any shipment to your knowledge outside of those that you refer to?—A. No, sir.

Q. Did you ship any goods for Colonel Morgan?—A. No, sir, not that I recollect.

Q. Did you ship any goods for a man named Seyfort?—A. No, I do not think so.

Q. Would your books show whether you did or not?—A. Yes, they would.

Q. Did you ship any goods for Jack Sifton?—A. No.

Q. You are quite sure as to that?—A. Yes, I think—

Q. And you are quite sure that you did not ship the Sifton Battery?

Hon. Mr. REID: I do not think that is a fair question. If it was boxed up he would not know.

Mr. KYTE: If he says he does not know that would settle it.

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*By Mr. Kyte:*

Q. What do you say as to that?—A. I did not ship a thing outside of the shovels that I know of. It is pretty hard for me to remember every shipment that goes through Morrisburg.

Q. If you had brought your books here you would not have had to depend upon your memory. (No answer.)

*By Mr. Sinclair:*

Q. The books show the size of the cases?—A. No, they do not; they show the weight.

*By Mr. Kyte:*

Q. And the names of the shipper and consignee?—A. Yes, sir.

Q. Would it give the quality of the articles, the kind of articles shipped?—A. It would give the description.

MR. KYTE: I think, Mr. Myers, you will have to attend on Wednesday next with your books.

HON. MR. REID: I am not objecting, Mr. Chairman, to the books being brought here. But the witness is a servant of the Grand Trunk Railway, and the books are really in their charge. I do not know if he has the power to bring the records here without the consent of his officials.

MR. CARVELL: It will be time enough to consider that when he raises the point.

HON. MR. REID: We ought to have it understood now.

MR. KYTE: He said he could bring the books.

THE WITNESS: I did not say I could bring the books.

MR. CARVELL: Make your best effort, and we will try and get the machinery started.

*By Mr. McKenzie:*

Q. Were those boxes uniform in size?—A. Yes.

*By Mr. Carvell:*

Q. Were those boxes of shovels shipped from Morrisburg addressed to General Sam Hughes or any other Militia authorities at Quebec or Valcartier other than Colonel Price?—A. No, sir.

Q. Were any goods shipped from Morrisburg—I am speaking now about the months of September, October and November, 1914—addressed to General Sam Hughes or any Militia authorities in any other place in Canada other than Quebec or Valcartier?—A. No, not that I know of.

Q. There were none sent to Ottawa?—A. No, sir.

Q. Were any goods shipped by Colonel Allison to General Hughes at Ottawa or any place in Canada other than Valcartier or Quebec?—A. No.

Q. Were any goods shipped by Colonel Allison, Colonel Munro, or Captain Sifton, or Miss Edwards, in boxes of any other size and dimensions other than those which you have already described?—A. No, sir.

Q. Did Colonel Allison, or his attorney, Miss Edwards, ever say to you that any of these packages contained parts of machine guns for the Sifton Battery?—A. No, sir.

Q. Give your best judgment now, looking backwards, of how many cases of shovels you think were shipped out of Morrisburg?—A. I would think there would be about 500.

Q. About 500 cases?—A. I would not like to say as to that for certain, I would not remember, exactly.

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Q. I want to describe to you one of these shovels, we have the documents here: The shovel is about 8 or 8½ inches wide, it would be about 12 or 13 inches long, and it is concave about an inch and a quarter, that is that in a direct line from where the handle of it is to the tip there would be a concave of about one inch and a quarter. These shovels would be "cradled" one against the other in the package, I think that is the term.—A. "Nested."

Q. "Nested," that is the word. Now, taking a shovel such as I have described, how many would you think you would get in any one of these cases, nested together in this manner?

Hon. Mr. REID: How would this witness know the thickness?

WITNESS: I think you would get about three dozen in one of those boxes.

Mr. EDWARDS: Did these shovels have handles on them?

*By Mr. Carvell:*

Q. Perhaps I should have told you before that the specification asks for a spike about three inches long, I think it extends from the body of the shovel up to where the handle would be.

Mr. CARVELL: I think we might just as well have this matter understood now, because there are some exhibits here where they give the weight.

Hon. Mr. REID: How many shovels were purchased?

Mr. CARVELL: 25,000.

Hon. Mr. REID: It looks as though that would be about right for 25,000 shovels.

Mr. CARVELL: It is of no great importance but I would like to verify the weights, because I know I looked through the other file and my recollection is that the shovels weighed about four pounds each; at that rate the witness' judgment would not be correct, because with 40 shovels in each package the weight would only be about 160 pounds whereas he says it was 500 pounds.

Hon. Mr. REID: When the bill of lading comes you can see what the actual weight is.

Mr. CARVELL (to witness): We would like you to attend here again——

Mr. KYTE: On Wednesday next with these bills of lading.

Mr. CARVELL: And all other documents relating to shipments by these parties. You will understand that you are expected to bring all papers and documents relating to shipments by Colonel Allison, Miss Edwards, Colonel Morgan, Captain Sifton or Mr. Seyfort.

Hon. Mr. REID: Give the witness back the copy of his subpoena so that he will see what he has to bring.

Mr. KYTE: Before doing so I will insert the names of those parties in the subpoena.

*By Mr. Sinclair:*

Q. Do you know where these goods came from?—A. I do not.

Q. How were they delivered at your station?—A. By teams.

Hon. Mr. REID: With reference to this subpoena to bring the books and papers of the railway company we want it understood that there is no objection as far as our side is concerned to those documents being brought here.

Mr. KYTE: If he does not get authority from the railway company to bring them that is a different thing.

Mr. CLIVE PRINGLE: I may say that Mr. Myers was referred to me this morning, I am acting on behalf of the Grand Trunk Railway, and he showed me the subpoena

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which had been served upon him and I asked him if he had brought anything with him, if he had brought any documents with him and he said "no." In regard to the Grand Trunk Railway Company I may say that the company will be only too glad to give anything you want but I would suggest that a proper subpoena be given Mr. Myers to appear on Wednesday and to produce the documents you require.

The WITNESS: If I am allowed to bring these documents on Wednesday would not one be sufficient, without bringing all the separate books and documents, the one would cover everything?

*By Mr. Kyte:*

Q. You have a freight book?—A. Yes.

Q. For the months of September, October and November?—A. Yes.

Q. Would that contain a description of the boxes?—A. It is an exact copy of the bill of lading.

Mr. CARVELL: I find in looking over the accounts here that we can get all we want from them. Here is one bill made out by the Midvale Steel Company on the 6th October, 1914, there are 2,000 shovels "per sketch and directions" and they weigh 9,400 pounds, that is  $4\frac{1}{2}$  pounds each, or a little over that, and then they are packed in 20 boxes, that would be 100 to the box.

Hon. Mr. REID: And 25,000 shovels, 100 in the box, would be about 250 boxes, so that the witness was about right that each box would weigh 500 pounds, but he apparently is wrong in his recollection as to the number of cases.

*By Mr. Kyte:*

Q. Your replies to my questions with reference to shipments from Morrisburg do not apply to any shipments by express?—A. No.

Q. I thought they referred to both freight and express?—A. No, I have not the information about express shipments.

Q. Who is the express agent there?—A. Miss A. E. Loucks.

Q. I understood you to say that you were the express agent as well as the railway agent?—A. No, sir, I am not; the express is separate at Morrisburg.

*By Hon. Mr. Reid:*

Q. Miss Loucks is in the same station as you are?—A. Yes.

Q. Is she an employee of the Grand Trunk Railway Company?—A. Yes.

Hon. Mr. REID: Miss Loucks has been in the employ of the railway company for many years, and her father was in the employ of the company before her, probably for forty years in their employ. Perhaps Mr. Myers, who is the station agent at Morrisburg for the railway company and knows the whole situation as well as Miss Loucks does, could bring the books and give us all the information that is required with reference to the express shipments.

Mr. KYTE: Mr. Myers, apparently, is not going to tell any more than he is obliged to, and he might object to giving evidence with regard to the express business.

*By Mr. Carvell:*

Q. Would you have an opportunity of personally examining all the packages that went through the express office at the railway station at Morrisburg?—A. Yes, I think I would.

Q. Do you personally do any checking of the express packages there?—A. Yes.

Q. Do you help to load them on the trucks?—A. I do on the train.

Q. You put them on the trucks and handle them from the trucks to the train?—A. Yes.

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Q. So that you personally, I do not mean to say that you personally do the manual labour, but you have knowledge of loading of these articles shipped by express on the trucks and from the trucks to the train?—A. I do.

Q. Do you have anything to do with the checking off with the bill that the express company sends out with each train and with the weight of the goods shipped?—A. I do, in the morning.

Q. That is with regard to the express packages?—A. Yes.

Q. Well, then, would there be any express packages leave Morrisburg of which you would not have some personal knowledge?—A. No.

Hon. Mr. REID: What I was going to suggest, in view of what has been stated with regard to the relative positions of Mr. Myers and Miss Loucks, is that if the Grand Trunk Railway Company and the Canadian Express Company would allow Mr. Myers to bring the books and give evidence with regard to the express business, he would do just as well as if we were to bring Miss Loucks here. I have not the slightest objection to bringing Miss Loucks here, but I do not think there is any necessity to bring them both.

*By Mr. Carvell:*

Q. Do you know of any express packages having been sent from Morrisburg by Colonel Allison to General Hughes?—A. No, I do not know of any.

Q. You do not know of any yourself at all. Do you know of any express packages sent from Morrisburg by Colonel Allison, Miss Edwards or Colonel Morgan?—A. By Colonel Allison or Miss Edwards?

Q. By any of these?—A. Yes.

Q. To whom were they sent?—A. I could not tell you, I did not look at the address.

Q. What kind of packages were they?—A. Small boxes, about a foot square.

Q. What did they contain?—A. I could not say. Express matter is way-billed differently from freight; they do not describe the contents, just give a certain number of packages. They do not give the description of what it contains.

Q. You give the value, do you not?—A. They give the value, sometimes, yes.

Q. Can you tell from what source these packages came?—A. They are delivered by Mr. Allison's teams.

Q. Do you know where Mr. Allison's teams got them?—A. No, I could not say.

Q. Did they look to you as if they were the product of any manufacturing establishment in Morrisburg?—A. No, they did not.

Q. Had a foreign appearance, I suppose, had they?—A. Well—no.

Q. Were there any other marks upon them showing that they had been handled by any other transportation company?—A. No, sir, there were not.

*By the Acting Chairman:*

Q. Was there a large quantity of those cases or were they few in number?—A. Oh, there was quite a large quantity.

*By Mr. Carvell:*

Q. Were they heavy goods or were they comparatively light?—A. No, they were not heavy, they were light; I should judge they would weigh between 40 and 50 pounds per box.

Q. They weighed 40 to 50 pounds per box?—A. Yes.

Q. How big do you say the boxes were?—A. As far as I can remember they were a foot square.

Q. And how long?—A. Well, about a foot.

Q. They were a foot cube, then?—A. Yes.

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Q. And about 40 to 50 pounds in weight?—A. I should judge about that, there might be a little more or less, but not much.

Q. Do you remember anything else being sent through by Colonel Allison or any other of these people we have named to any of the Militia authorities?—A. No, I do not.

Q. That is as far as your memory goes?—A. Yes.

Mr. CARVELL: Well, we will have the books brought here anyway.

*By Mr. Sinclair:*

Q. Did you say that these express books do not show the weight of the express parcels?—A. No, I did not say so.

Q. They do show the weight?—A. Certainly they do.

*By the Acting Chairman:*

Q. But not a description of the contents?—A. No.

*By Mr. Carvell:*

Q. Can you bring the inward express as well as the outward express orders?—A. I do not know whether I can bring any of the express books.

Q. What express company is it?—A. The Canadian.

*By Hon. Mr. Crothers:*

Q. Can you tell us to whom these goods were sent by express?—A. No, I could not.

Hon. Mr. REID: I think it would be well for Mr. Myers to tell Miss Loucks that we want these express records and ask her to obtain permission from the company so that you can bring the books and give evidence in reference to them. Probably the Grand Trunk Railway Company can arrange that in order that she would not have to come.

Witness retired.

Mr. FRED. R. CHALMERS called, sworn and examined.

*By Mr. Carvell:*

Q. What is your occupation, Mr. Chalmers?—A. I am a watchmaker carrying on a jewellery business at Morrisburg.

Q. Do you know Colonel Allison?—A. Yes.

Q. And do you know Miss Edwards?—A. Yes.

Q. And Colonel Morgan?—A. I know that in the months of August and September there was a man at Morrisburg who went by the name of H. G. Morgan and was known as "Colonel".

Q. And do you know a man named Seyfort?—A. Yes.

Q. What was he?—A. I understand that prior to coming to Morrisburg Mr. Seyfort was a clerk in the Ritz-Carlton Hotel at Montreal. This, of course, is only hearsay—and he came to Morrisburg acting as secretary for a company known as the Caloroxide Corporation, Limited, which was a company formed for manufacturing a fuel-saving powder.

Q. That is the story he told. I do not suppose he sold any of that particular product, did he?—A. Well, the company was started, and the product was on the market, I guess there was some sold.

Q. Do you know a man by the name of Nash in Morrisburg?—A. I do, yes.

Q. What is his business?—A. A merchant tailor.

MR. FRED. R. CHALMERS.

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Q. Did you engage Mr. Nash to do any work for Colonel Allison or Colonel Morgan?—A. I did not.

Q. You did not speak to him at all about it?—A. I will tell you the circumstances. I may answer that in this way, Colonel Morgan was in my office, and he asked me to refer him to a tailor in town, or he asked me for a reliable tailor, I told him any of the three tailors were reliable; and he said: "Would you refer me to one," or else he asked if Nash was a good one, and I said Nash was reliable; and that was all there was to it. There was nothing said about what he wanted done.

Q. When you discussed Nash you did not know what Morgan wanted done?—A. No, I had no idea whatever.

Q. You did not know he was wanted to remove tags off samples of clothing?—A. No.

Q. Did you not go to Mr. Nash and ask him to go to Mr. Allison's office?—A. No, sir. On my way to dinner I may have seen Mr. Nash and told him: "I sent you a customer to-day," that was all, just passing his store.

Q. Did you tell him what the customer wanted?—A. I do not think so. I was asked just as a man would come into my office and ask for a tailor or a barber, or any one else; and I referred him to some one.

Q. Did Nash come back that evening?—A. Either that evening or the next day, I think I met him on the street. His remark was, that was a strange or queer customer, something to that effect. I said why, what did he want? He said: "He wanted me to put some tags on some clothing." I think that that was all that passed between us.

Q. Did he intimate to you that he had taken off other tags?—A. No, I think that was all the talk.

Q. What was there in the fact that he wanted tags put on clothing that would make him a "strange" or "queer" customer?—A. It was out of his ordinary business. I did not think anything of it.

Q. There was nothing that left any impression on your mind?—A. Nothing whatever.

Q. And he only told you that he had been putting tags on clothing?—A. I won't say he had been putting on tags. The word "tag" came in; and I did not pay much attention to it, because I was in no way interested in any shape or form.

Q. Have you any reason why Colonel Morgan would come to you to get a recommendation?—A. No, only that Colonel Morgan was in my office. I may say now that I have the agency of the Great Northwestern Telegraph Company.

Q. And that, of course, brings people into your office?—A. It does, yes.

Q. Do you occupy any position in the Conservative Association in Morrisburg?—A. No, sir, I do not.

Q. And you have nothing to do with patronage?—A. No, sir, never had.

Q. You have nothing to do with patronage?—A. No, sir.

Witness retired.

Mr. CARVELL: I think that is all the witnesses we have, Mr. Chairman. I see that Mr. Drew is here, I do not know for what purpose; but I would like to ask him a few more questions if the Minister has no objections.

Hon. Mr. REID: I have no objections.

Mr. A. G. F. DREW recalled.

The CHAIRMAN: You were sworn the other day.

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*By Mr. Carvell*

Q. Now, Mr. Drew, have you had an opportunity of reading the evidence given by Mr. McDougald, the Commissioner of Customs, and also by his son?—A. I think I read some of it in the newspapers.

Q. Mr. McDougald, the Commissioner, gave evidence here, and I may tell you Mr. Drew, that, as there are no records, it is a question of one man's recollection against another's, and therefore I want to read accurately what Mr. McDougald said. First, he says: "I gave no letter of instructions."—A. He gave his son a letter of introduction, if I remember right. Of course, the letter was returned to him. My recollection is that he gave him a letter of introduction, and told me that his son would give me the instructions he wanted given, or something to that effect. I could not give you the wording of it.

Q. The son would give the instructions?—A. Yes.

Q. According to that, you and the Commissioner do not differ very much?—A. No.

Q. If that is the case, we will take up the son's evidence, that of Mr. R. B. McDougald. He was asked the following question:—

Q. What instructions did you give Collector Drew?—A. Well, I saw him in the evening. I told him that there was certain machinery coming for the Sifton Machine Gun Battery, and as it was necessary it should be despatched with as much rapidity as possible and with as little hindrance, and I would not say definitely whether I told him not to manifest it or not, but I told him to have the stuff handled as rapidly as possible, that the likelihood was that the stuff would come over at night and that in order there would be no delay in the matter he would see they were not hindered on the frontier.

What do you say to that?—A. I have no recollection of anything about the Sifton guns. My recollection of the matter is—of course there was a good deal of talk about it with other people as well as Mr. McDougald—my recollection of the matter is that this was to be military supplies, guns, ammunition and munitions. That is the way I recollect it, and that if they did so I would not meddle with them.

Q. And in answer to the question: "Did you tell him who would bring them in?" he answered: "That they would be in charge of Captain Sifton or to his order."—A. No, I do not remember that. I remember the conversation was this, that they might come to perhaps Allison, Morgan, or Sifton, and perhaps to somebody else. At any rate I was not instructed to look to see whether they came or to whom they came.

Q. You were instructed not to look?—A. Not to meddle with them.

Hon. Mr. REID: Not to meddle with them.

The WITNESS: In other words, what I mean by that, I was not to inspect them as a Customs official.

*By Mr. Carvell:*

Q. Mr. McDougald was asked:

"Q. He says you mentioned Colonel Allison to him?—A. No, sir, I never heard tell of Colonel Allison at that time."

A. Well, my impression is that Sifton was there part of the time, I think Sifton came the second day.

Q. You are not following the answer I read.—A. I was going to explain it to you.

Q. I asked Mr. McDougald, or rather, I referred him to your evidence and said: "He"—that is you—"says that you mentioned Colonel Allison to him," and Mr. McDougald's answer was, "No, sir, I never heard tell of Colonel Allison at that time."—A. Well, Colonel Allison's name was mentioned.

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*By Hon. Mr. Reid:*

Q. Might it have been mentioned by Sifton?—A. It might possibly have been that Sifton, it might possibly have been that Colonel Morgan—they were around there for a couple of days. But my recollection of it is, as I stated in the first place, that Allison's name was mentioned.

*By Mr. Carvell:*

Q. By Mr. McDougald?—A. That is the impression I had about it.

*By Hon. Mr. Reid:*

Q. Are you sure of it?—A. I would not say I was positive, but that is my best recollection. Those other people were there, and they were all talking about bringing these goods over.

Q. But there is a possibility—A. There might be a bare possibility, but my recollection is we talked about Allison.

*By Mr. Kyte:*

Q. Did you say that Allison, Sifton and Morgan were present?—A. No, not all at once, but they were in and out of the office.

Q. When Mr. McDougald came to you with the letter, and while you were discussing it with him, were these other people present?—A. There were others in the office. I think, during the time that Mr. McDougald was there, that Mr. Allison came in and called me into the back office. That is my recollection, and I do not remember if he spoke to Mr. McDougald.

Q. Was Colonel Morgan there?—A. He was once, during that time.

Q. While Mr. McDougald was with you?—A. Yes.

Q. Do you remember if Sifton was there?—A. I do not think Sifton came until the day after Mr. McDougald did. I think he is registered on the 3rd, and Mr. McDougald is registered on the 2nd.

*By Hon. Mr. Reid:*

Q. When Mr. McDougald gave you the orders, did he give them to you personally?—A. To me personally.

Q. No one else was around?—A. I think my daughter was there at the time.

Q. He did not discuss them with any other men present?—A. Not that I recollect of.

Q. When you say Colonel Allison came in afterwards, you and Colonel Allison discussed it?—A. Colonel Allison said—

Q. Mr. McDougald was not in. So that in any discussion in connection with this matter, Mr. McDougald and you alone were present?—A. So far as I know.

Q. There were no other outsiders?—A. So far as I know.

Q. In any other discussions with Allison, McDougald was not present?—A. No.

*By Mr. Carvell:*

Q. Did Mr. McDougald meet Colonel Allison?—A. I think Mr. McDougald and I stood near the front office door. Allison came in there and walked through the office into the back office, and said he wanted to see me. I forget now what he wanted, but I remember going in with him, and he said to me in the back office: "I have got it fixed now to bring over those guns and ammunition."

*By Hon. Mr. Reid:*

Q. For Sifton?—A. He did not say for Sifton.

Q. He said guns and ammunition?—A. Munitions, as he called them.

Q. You did not introduce him to McDougald?—A. No, sir.

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*By Mr. Carvell:*

Q. Allison said he had it fixed. You had no doubts about that, about him having it fixed?

Hon. Mr. REID: To do what?

Mr. CARVELL: To bring over the guns and munitions. I asked him if he had any doubt about Allison having it fixed.

The WITNESS: I had no reason to believe he would tell me something that was not true.

*By Mr. Carvell:*

Q. And you had some information from Mr. McDougald?—A. I had a certain amount of information.

Q. You have heard the description of the packages given here this morning by Mr. Myers. During the time these goods were coming in this irregular method, did you take any means?—A. I do not know that any goods came in an irregular method.

Q. I will say that anyway.

Hon. Mr. REID: I do not think that is fair.

Mr. CARVELL: Suppose I put it: During the time these goods were coming without being entered at the custom house. Is there any objection to that?

Hon. Mr. REID: The goods were reported officially to the custom house.

Mr. CARVELL: "Without being entered at the custom house."

Hon. Mr. REID: "Without being entered"—all right.

The WITNESS: Let me explain this to Mr. Reid. I do not think they were ever officially reported. I do not think we had any report of them at all.

*By Hon. Mr. Reid:*

Q. If that is the case, why didn't you go and see them?—A. Because I understood my instructions to be not to meddle with goods that came over of that nature.

Q. But you surely did not understand any orders of that kind meant that you were not to see that the goods were reported to you?—A. My instructions were not to have any come in under a manifest.

Mr. CARVELL: I do not think the Minister has any right to come here and lecture—

Hon. Mr. REID: I am not lecturing him.

Mr. CARVELL: The Minister has no right to interfere with a collector of customs under examination by this Committee.

Hon. Mr. REID: I am only asking a question.

The WITNESS: He has not asked me any questions I object to.

Mr. CARVELL: Any question of this nature that the Minister puts to a member of his own department at least has the appearance of being unfair. I think I will go that far.

Hon. Mr. REID: Surely, Mr. Carvell, if you are asking a question I have a right to follow it up to get the truth of it.

Mr. CARVELL: You have the legal right, of course.

*By Mr. Carvell:*

Q. During the time these goods were coming in without being entered at the custom house, did you make any attempt to keep yourself acquainted with the quantity and character of the goods, and, if so, what did you do?—A. I was not making any attempt as to the character of the goods, I simply, if I knew anything about them at all, I probably did not go and see the whole of them, if they were people that I supposed was bringing over these goods I did not pay any more attention to it.

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Q. Did you see any quantity of these goods?—A. I saw several boxes and packages.

Q. Where did you see them?—A. I saw them on the wharf and on the bank of the river when I was down around the river and thereabouts.

Q. Did you see them anywhere else?—A. I have seen goods at Waddington that they said belonged to these people, but I do not know if they ever brought them over.

Q. Were they addressed to these people?—A. My recollection is that they were addressed probably to J. W. Allison, Allison's Island, some of them.

Q. Describe the cases which you saw first at Waddington?—A. The cases that I saw, most of them, were cases about 6 feet long, and somewhere from 12 to 15 inches square.

Q. Those would be the shovels then?—A. I do not know.

Q. Were they marked shovels?—A. Not that I noticed.

The ACTING CHAIRMAN: Is that the same goods he described the other day?

Mr. CARVELL: Yes, I am going a little further into them.

*By the Acting Chairman:*

Q. These are the same goods you described the other day?—A. Yes.

*By Mr. Carvell:*

Q. Did you see any of these boxes, or boxes that looked like the same boxes, on the Canadian side?—A. Yes.

Q. And you saw these, you say, at the wharf?—A. And at the bank. They were brought over on scows, I presume. I have seen them on a scow.

Q. Did you see any boxes that would tally with the description given by the last witness of the size of the packages?—A. No. Well, I might see boxes that would tally with his description, because there were boxes of about that size I have seen around the wharves.

Q. That is what I am asking you?—A. These are the boxes I told of the other day that were marked from the Hartford people, from the Colt people at Hartford.

Q. I do not think you told us of that?—A. I think I did.

Q. These square boxes then were marked from the Colts people at Hartford, Conn.?—A. Yes.

Q. That is the Colt revolver?—A. I do not say.

Q. But you know there is such a weapon as the Colt automatic pistol?—A. Yes.

Q. They were marked then from the Colts people?—A. They had the mark of the Colt Arms Co. on them.

*By the Acting Chairman:*

Q. Do you know what was in the boxes?—A. No.

*By Mr. Carvell:*

Q. They were about a foot square?—A. I should think they were about that.

Q. Did you ever see a Colt revolver?—A. Yes.

Q. How long is it?—A. They are different lengths.

Q. An ordinary one?—A. I should suppose it would be five or six inches, maybe seven.

Q. Wouldn't one ten or eleven inches be a pretty good length?—A. I should think so. I am not very much acquainted with revolvers, I never had one.

Q. We have got now the shovels and the revolvers pretty well located?—A. I have not said they were revolvers.

Q. You said they were marked on the cases?—A. No, I have not said that they were revolvers, what I said was that the cases were marked as coming from the Colt Company of Hartford.

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*By the Acting Chairman:*

Q. Do you know what was in those boxes?—A. I do not know anything about what was in those boxes.

*By Mr. Carvell:*

Q. Do you remember seeing any other form or style or size of package there at Waddington on the wharf on the bank or at the railway station?—A. I think I have seen different sized packages.

Q. Describe them as nearly as you can?—A. I could not tell you the size of them, what they contained or what they might contain, but there were different sized packages and I think they had some packages that might have been two feet square, something like that.

Q. That would be two feet cube, you mean?—A. Yes, I do not know what was in them.

Q. Did you see many of those?—A. No, I do not know that I did; I did not keep track of them and I do not know of any great quantity of them.

Q. To be really serious, did you not have some little curiosity to find out what was going on during the time your office was practically closed to a certain class of goods?—A. I do not know about that; I thought I did know this that there were some goods being brought over that the Canadian Government was afraid an embargo might be put on by the United States. That is the only curiosity I had about it.

Q. Did you have any curiosity to inform yourself as to who was in possession of these boxes that were coming?—A. No.

Q. Will you tell me how many of these two foot square boxes you saw?—A. I could not tell you, there might have been a half dozen or a dozen, I saw them at different times.

Q. Were these Colt boxes?—A. No, those were larger boxes.

Q. How many of these boxes were there?—A. I could not tell you, there were quite a number of them, I should judge, I do not know that they all came at a time.

*By Hon. Mr. Reid:*

Q. Was Mr. Jack Sifton around—do you know him?—A. Yes, I know him.

Q. You met him?—A. I met him.

Q. Was he there more than once?—A. I never saw him more than once, and I hardly think he stayed there more than one or two days.

Q. Was he there when these goods were coming across?—A. I think I saw him at Waddington once when they were unloading some goods there.

*By Mr. Carvell:*

Do you remember any other sized packages, you have described three sizes?—A. I do not remember anything else that I saw. Of course there were packages that were coming there, I did not see them all and I did not pay very much attention to them.

Q. Will you go so far as to say that there were no other packages except those you have described?—A. No, I would not say that; there may have been any number of packages that I did not see at all.

Q. What kind of ferry boat was it that came from Allison Island to Morrisburg?—A. It is not the ferry boat. The boat that comes from Allison's Island—he has two or three gasoline boats of his own, and when he brought these packages over he brought them over on his own scow and with his own boats.

*By Hon. Mr. Reid:*

Q. He towed them over?—A. Towed them over.

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*By Mr. Carvell:*

Q. What kind of scow is it?—A. I do not know what you call the scow.

Q. Describe this scow?—A. This scow might have been somewhere between 30 and 40 feet long.

Q. And how wide?—A. And it would be 10 feet wide, possibly 11 feet, I do not know.

Q. Like the ordinary ferry scow?—A. Yes, it is a scow that is not decked over, I do not know what you call them; it is a scow with rails on, and the bottom is not covered, that is you stand right on the bottom of the boat.

Q. On the planking?—A. On the planking.

Q. Then it is propelled by a gasoline launch?—A. Towed.

Q. It has no power then itself?—A. No.

Q. Is there any regular ferry running across the river?—A. The regular ferry boat was a motor boat that would carry 25 to 30 people.

Q. It was not a steamboat?—A. Not a steamboat.

Q. It would not transport teams, would it?—A. They used the scow to carry automobiles or buggies sometimes.

Q. Did you ever see a machine gun?—A. I think I saw one, I think Mr. Allison presented the Government and the people down there with a machine gun and it stood in the tailor's window, that is the only one I saw.

Q. Did you ever see a machine gun mounted on a motor truck?—A. No.

Q. Did you ever see anything that looked to you like a battery of artillery of any kind at Morrisburg?—A. No.

Q. Did you see any cases, such as you have described, that would contain the machine gun which you saw in the window?—A. I would not think I saw any large enough for that. I do not know whether when you pack a machine gun you could take it to pieces, I do not know anything about that, or how that would change the size of it.

Q. Now you saw no case large enough to take the machine gun as you saw it?—A. Not at that point.

*By Mr. Kyte:*

Q. Did you see any armoured motor cars or trucks?—A. No.

*By Mr. Carvell:*

Q. Have you ever heard of any armoured motor trucks or batteries coming across the river on that scow?—A. No.

Q. Do you think you could bring an armoured motor truck across the river on that scow?—A. I certainly cannot answer that question for the simple reason that I have never seen an article such as you have mentioned, and would not have any knowledge about it.

Q. Well I will give you an idea of what it is like. You have seen a motor truck, haven't you?—A. Yes.

Q. Assuming that you had a freight motor truck, say a 2,000 pound truck, that would be just only a medium size, and you have that covered with steel plate armour, and you had a machine gun or two inside of it. Would you think that an article such as I have described could be safely brought across the river on the scows you have mentioned?—A. What weight would you suggest the whole thing would be?

Q. I would say not less than 5,000 to 6,000 pounds?—A. That would be three tons. I would think a scow of that kind would carry that weight if it is properly loaded and properly handled.

Q. Do you think it could be put on the bottom planking?—A. I do not see why it could not be.

Q. That is your judgment?—A. Yes.

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Q. Have you ever heard of any such contrivance as I have described coming over on that scow?—A. No. The largest thing I have ever seen coming over on the scow was a large automobile.

*By Mr. Bennett (Simcoe):*

Q. What make of automobile was it—a heavy one?—A. The one I remember would be a Chalmers, that would be a seven passenger, I think.

*By Mr. Carvell:*

Q. There is just one further question which I think I have omitted. I have not the exact citation here, but I think I can remember it, if I cannot remember it my friend will correct me: I asked Mr. McDougald on two or three occasions if he said he told you to whom the goods, which you were to allow through without asking any questions, were to be consigned, and he told you of no persons, that he mentioned no particular name?—A. I do not think he told me who they were to be consigned to, because according to the interpretation I made of my instructions they were not to be consigned to anybody, and they were not to give any manifest and we were not to keep any reports of it, consequently we would not know anything about that part of it.

Q. Then how were you to know what goods you were to allow through?—A. One thing I could judge by was if the people whom I supposed we were doing this for were getting the goods, I would know.

Q. But who were the people?—A. The most of them were brought over by Colonel Allison.

Q. Would you say that Colonel Allison's name was mentioned between you and Mr. McDougald?—A. That is my impression, it is possible I may have been mistaken.

*By Mr. Kyle:*

Q. What was the regular procedure when a person was importing goods across from the United States to Morrisburg?—A. The usual procedure is to make an inward report at the boat, and to give you a list of the goods that are being brought over.

Q. The importer comes to you?—A. No, the captain of the boat usually makes the report, or the owner of the boat, and if you are bringing across certain kinds of goods the inward report would show what they were and who they were consigned to.

Q. Is there any obligation resting upon the party who is importing the goods to report to you?—A. If I remember aright there is a penalty mentioned in the Customs Regulations, which show what a man must do; if he does not do what is required by those regulations he has to suffer a penalty.

Q. And in this case the owner of the boat is Colonel Allison?—A. I think so.

Q. These goods came across from Allison's island to Morrisburg in Colonel Allison's boat?—A. As far as I know they came from Allison's island; I did not see these goods at Allison's island and I did not see them loaded there.

Q. You say that they came in Colonel Allison's motor boat, that is correct?—A. No, in Colonel Allison's scow which was towed by his motor boat.

Q. And Colonel Allison or his employee did not make an inward entry in your office?—A. No.

*By Hon. Mr. Reid:*

Q. What is the name of the captain of this boat?—A. Of the Allison boat?

Q. Yes, take that Allison boat?—A. I think it is a man by the name of Clark who is in charge of it.

Q. What is the name of the captain of the ferry boat?—A. McBride.

Q. McBride?—A. Yes, there was a Captain McBride that had one, and then there was another who used to be at Prescott, Captain Starwell.

Q. And those were the two boats that did the ferrying?—A. Those were not the two that brought these goods, the regular ferry boats I am talking about.

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Q. As I understand it, there was a ferry boat there operated for a while by Captain Starwell?—A. Yes.

Q. And then the same boat, I suppose, was operated by Captain McBride?—A. No, both of these boats were motor boats, one is called the *Nesga* and the other—I do not remember the other.

Q. You say you saw some of these goods in Waddington?—A. Yes.

Q. Did you say anything to any of these captains that they should have manifested these goods when they brought them in?—A. I never had any discussion with them about it.

Q. Did you say anything to Captain Sifton about the manifesting of these goods?—A. The only thing I ever said to Captain Sifton was said at Waddington. As I told you the American customs officer was making a kick over allowing the goods to go out of the United States, and these goods at that time were consigned to Allison's island. I said to the customs officer there that I did not see that he had anything to do with them as they were consigned to an American island. In walking by Mr. Sifton on the wharf I said to him, "I am afraid you will get into trouble with these goods, the first thing you know some one will want to make the boats report them out." Mr. Sifton said, "What will I do?" and I said "Take them down to Allison's island."

Q. You knew then that Mr. Sifton was connected with these goods?—A. I supposed he was from the fact that he was there, Colonel Morgan was there, if I am not mistaken, and Miss Edwards was.

Q. You suggested that he should take them to Allison's Island?—A. I certainly did if he wanted to avoid trouble with this officer.

Q. Did you suggest that he could get them over from that island?—A. No. I thought he would then have no trouble with the American officer.

Q. What did you mean by that?—A. The officer was bound that he should get a manifest for the goods, and if he had given a manifest to the American customs he would then have had to give us an inward report as well.

Q. And your suggestion was that Mr. Sifton could get the goods from that island over to Canada without the officer interfering?—A. That he could do as he liked about that; that would be the result of it, of course.

Q. Did that conversation happen before you got instructions from Ottawa?—A. No.

Q. It was after you had received your instructions from Mr. McDougald that you suggested that?—A. Yes.

*By Mr. Kyte:*

Q. You mentioned the name of a man named McBride, is he an employee of Colonel Allison?—A. No.

Q. What does he do?—A. He ran a boat of his own, a motor boat.

Q. And you were not referring to Allison's boat at all when you spoke of McBride?—A. No, I was referring there to the ferry boats.

Q. Who is running Allison's boat?—A. I think it is a young man by the name of Herbert Clark—I think it is.

Q. He is the man employed by Colonel Allison?—A. Colonel Allison has a dozen men.

*By Hon. Mr. Reid:*

Q. These goods you say were not brought over under cover, but in the broad daylight?—A. Any that I saw were.

Q. Do you know what became of these goods? Were they taken to the Grand Trunk station?—A. I should presume they were, because in several cases I saw Colonel Allison's teams loading them on the wagons and I presume they took them to the station.

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Q. You believe that is where they went?—A. I believe so, yes.

Q. Have you any reason to believe they went to any other place than the Grand Trunk Station?—A. That would be the only supposition when they loaded them on wagons that they took them to the station, but, of course, I was not at the station and did not see them.

Q. Have you any information that they went to any other place than the station?—A. No.

Q. You believe they all went up to the station?—A. As far as I can judge any goods that I saw were drawn up to the station—I do not know it as a fact.

*By Hon. Mr. Crothers:*

Q. You were instructed to allow a certain class of goods to pass your office, as you put it, without you meddling with the people or the goods?—A. Yes, sir. That is as I understood it.

*By Hon. Mr. Reid:*

Q. Military goods?—A. Military goods, or war munitions, and that sort of thing.

*By Hon. Mr. Crothers:*

Q. Did you make a memo. at that time of the class of goods?—A. No.

Q. What means did you adopt of satisfying yourself that these goods came within the class of goods that you were not to meddle with?—A. More particularly from the people who were handling them.

Q. Would you have allowed any of these people to bring over 50 bushels of oats?—A. Not if I knew it.

Q. You simply allowed in anything that these people were connected with?—A. The goods were in boxes; we did not open them.

Q. You did not even ask what they were?—A. No.

Q. These people might have brought over anything?—A. They might have brought over anything in boxes.

Q. Without making any inquiry?—A. If they had brought something like a thousand bushels of oats, we would have known that was not war material.

Q. You took no means to ascertain whether these goods came within the class of things you were authorized to allow to pass through?—A. No.

Witness discharged.

Mr. FRED. R. CHALMERS recalled, and examined.

*By Mr. Kyte:*

Q. Mr. Chalmers, you are already sworn. You say you are a telegraph operator?—A. Yes, sir, I am the agent of the Great Northwestern Telegraph Co. at Morrisburg.

Q. And you have custody of all records and telegrams?—A. Oh, yes.

Q. Did you receive any telegrams from Colonel Allison relating to this matter under examination?—A. Of course, now Mr. Kyte, I do not know just how far I should answer those questions. Of course, you understand that any business that goes through my office, or any business in connection with the company, is strictly private and confidential.

Q. I am not asking you what is in the telegram, but if you received any telegrams.

Mr. BENNETT (Simcoe): That is equally unfair. Suppose you wanted to prove that a certain man was at a certain place on a certain date, and you asked the agent

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if there was a telegram received by John Brown on the 25th of May, that would be just as much giving away information as if he gave you the contents.

MR. KYTE: As a matter of fact, we are entitled to get the fact. As to the contents, we must produce the telegrams.

*By Mr. Kyte:*

Q. Mr. Chalmers, will you please answer my question. Did you receive any telegrams from Colonel Allison relating to the matter under investigation?

HON. MR. REID: That would be disclosing the facts.

THE WITNESS: I do not know that I can answer that.

MR. KYTE: We will wait and see what his answer is.

THE WITNESS: I cannot answer the question. If you wish to have these messages produced, I suppose there is a certain way in which it could be done, I do not know.

*By Mr. Kyte:*

Q. Have you these telegrams?—A. I may and I may not. We are supposed to keep them for six months. I may have those, and I really think I have, because I have not destroyed any for some time.

Q. We will have to ask you to produce those telegrams.—A. No, I do not know. How am I going to produce them?

Q. The telegrams passing between Colonel Allison and Colonel Morgan, and if there be such, to Miss Edwards, Sifton and Seyfort?—A. Of course, I do not know the law on that, but I think you have got to be more specific than that. I have not had occasion to produce telegrams since I have been agent for this company for thirty years.

MR. MCKENZIE: He has to be subpoenaed now.

MR. KYTE: I am going to make a list of the telegrams he is required to produce.

HON. MR. REID: What if they should be personal messages relating to this matter?

MR. KYTE: I want messages relating to the importation of goods to Morrisburg and the shipping of goods from Morrisburg to Quebec, or to any other points to which they were shipped. He knows the evidence given this morning in the examination of Mr. Myers. We are inquiring as to goods sent in from the United States to Morrisburg, and shipped out, having relation to the particular names I have mentioned, Allison, Morgan, Sifton, Miss Edwards, and Seyfort.

HON. MR. REID: You want the telegrams with reference to the shipment of goods.

MR. CARVELL: Mr. Chairman, I would suggest that the proper subpoena be served on this man, and he will have between now and Wednesday to make up his mind.

THE WITNESS: The first step I will take is to take it up with my general manager in Toronto. Supposing he says I am not to come here with them?

MR. CARVELL: We will have to consider that.

MR. KYTE: We will attend to the general manager.

MR. CARVELL: We won't put you in the tower.

THE WITNESS: You will give me the dates?

MR. MCKENZIE: We will have to make out a new subpoena.

THE WITNESS: I do not say that I have these telegrams on file, because, as I told you before, we are supposed to keep them for six months.

MR. CARVELL: We have every faith that all you have now will be in existence when you are wanted again, anyway.

MR. KYTE: We do not anticipate there will be any hurry up orders to burn any telegrams in this case.

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Hon. Mr. REID: You should not bring any relating to his private business, only with reference to this information.

Mr. CARVELL: If the telegrams were brought here and any question was raised, they could be submitted to the Chairman.

The WITNESS: You simply want these telegrams.

Mr. KYTE: We have a precedent. Mr. Hurdman last year was asked to produce certain letters, and they were submitted to a sub-committee.

The WITNESS: You don't want all the files. Do you leave that with me, or do you want all the files I have?

Mr. CARVELL: We will ask this Committee to issue a subpoena for you, and in that subpoena you will be told explicitly what you are to bring. When you bring them here, if there are any that you think are of a confidential nature, we will have them submitted to the Chairman. This Committee will not ask you to reveal anything that does not relate to public business. You are perfectly safe in bringing everything the subpoena calls for, and the Chairman will protect you.

The WITNESS: We have a rule, No. 130, that I am afraid covers this case.

*By the Acting Chairman:*

Q. What is the rule?—A. There must be some order from the Court, and that that must be specific, and that it shall specify a certain date, otherwise it would be a fishing expedition.

Mr. CARVELL: This Committee is more powerful than a Court. You may have rules, and it is quite proper you should have. But unfortunately for many of these corporations this Committee supersedes them all. If this Committee wishes—I am not using this illustration with a threatening attitude—it is not long ago that there was a gentleman who refused to answer questions, and he spent six weeks in jail. I am not putting this up to you, but this is only an illustration of the power of this Committee. Your rules put it up to you to consult your head officers, but this Committee has power over your head officers.

Hon. Mr. REID: If there are any messages he considers private he is to show them to the Chairman.

The WITNESS: That means for the two months?

Mr. CARVELL: We will give you the dates in the subpoena.

*By Mr. Sinclair:*

Q. Do you keep books showing the messages you receive and send out?—A. I keep the original copies.

Q. Of the message, but you do not enter it?—A. Just a check, with the place. No record, but who it is to or from.

Q. The name of the party is not shown?—A. Not at all.

*By Mr. Kyte:*

Q. When do you leave town, Mr. Chalmers?—A. At 4.25 p.m.

Q. I want this subpoena given to you before you leave.—A. It is for next Wednesday?

Q. Next Wednesday.—A. The months I spoke of were August and September, I won't say anything about October and November because I have no personal knowledge of those two months. Why I spoke particularly of August and September, I was asked for Colonel Morgan's initials a short time ago, and I looked them up, so that I think that those two months are intact, but I won't say anything about the others.

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Mr. KYTE: This is what we are asking you to bring. All telegrams from and to any person, persons, firms or corporations, passing between Colonel J. W. Allison, Colonel H. G. Morgan, Miss Mabel Edwards, Jack Sifton, E. F. Seyfort, and from and to each other, in the months of August, September, October and November, 1914, relating to the purchase and shipment of goods of every description at and from points in the United States to Waddington, N.Y., Allison's Island, or Morrisburg; and shipment of same from Morrisburg to any point in Canada.

Hon. Mr. REID: So far as that motion is concerned the only objection I have is this. If these telegrams are brought here, the Committee should provide some way of deciding as to whether they shall all go on the record. There may be some of them that for public reasons really should not go on the record.

Mr. CARVELL: I can settle that right now. If you will appoint a sub-committee consisting of the Chairman, and one gentleman from each side, that should be satisfactory. I would go further than that. If any public reference is made in a private message, I am willing that the document should be submitted to the Chairman and one member from each side. I would not want to discuss anything of a private nature, or a public matter which may be inimical to us.

Hon. Mr. REID: I believe that so far as Mr. McDougald and the customs officers are concerned, they wanted to do what was right.

Witness retired.

Committee adjourned.

## HOUSE OF COMMONS,

Room No. 301,

WEDNESDAY, March 15, 1916.

The Select Standing Committee on Public Accounts met at 11 o'clock, a.m., the Acting Chairman, Mr. Blain, presiding.

The Committee proceeded to the further consideration of a payment of \$1,003.25 to the Ottawa and New York Railway Co. by the Department of Militia and Defence, as set out at p. ZZ-31, of the Report of the Auditor General for the year ended March 31, 1915.

Mr. FRED. R. CHALMERS recalled and further examined.

*By Mr. Carvell:*

Q. You seem to have some documents with you?—A. Yes, sir.

Q. What are they?—A. They are the telegrams asked for in the summons. (Producing telegrams.)

Q. Are those telegrams that were sent from your office?—A. Yes, sir, and received.

Q. You have both there?—A. Yes, sir.

Q. I notice you have several fyles here (indicating).—Those are Mr. Myer's in connection with the express and freight bills.

Mr. CARVELL: Now, I hardly know just how to proceed in the matter of the production of these telegrams. I do not want to ask the production of anything that would be private or confidential, that is, so far as the war is concerned.

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The ACTING CHAIRMAN: There is an understanding that these should be submitted to a sub-committee.

Mr. CARVELL: Yes.

Mr. KYTE: I move that the Chairman, Hon. Mr. Crothers, and Messrs. Bennett and Carvell be a sub-committee to consider these telegrams and decide which shall be submitted to the Committee.

The ACTING CHAIRMAN: Perhaps it would be as well not to put Mr. Crothers on the sub-committee.

Mr. KYTE: Then I would suggest that yourself and Messrs. Bennett and Carvell be the sub-committee.

The ACTING CHAIRMAN: You have heard the motion, gentlemen, is it carried?

Motion agreed to.

Mr. CARVELL: We want to get at these telegrams right away, because the witness is anxious to return to Morrisburg as soon as he can; he is a very busy man.

Telegrams produced, submitted to, and considered by sub-committee.

The examination of Mr. CHALMERS resumed.

*By Mr. Carvell:*

Q. Have you any telegrams that were sent in August?—A. Yes, here are some of that month. (Producing telegrams.)

Q. Let me ask you in the first place: Do the telegrams which you have produced cover all the telegrams in your office, or under your control, sent to and by the parties mentioned in the subpoena, as far as you know?—A. Yes, they do.

Q. You brought everything covered by the subpoena, did you?—A. Yes.

Q. I find among the telegrams sent in the month of August, one dated August 30, Allison to Skinner. Will you kindly read that?—A. (Reads):

MORRISBURG, August 30, 1914.

To Col. W. C. Skinner,

Colts Fire Arms Manufacturing Co.,  
Hartford, Conn.

Meet me Ogdensburg Tuesday for large order G. & P. Answer King Edward Hotel, Toronto.

(Sgd.) J. WESLEY ALLISON."

Mr. CARVELL: I might state to the Committee that we have gone over the telegrams produced and we have found many relating to horses and some other things. As such were not included in this investigation at the present time I am not asking to have any of them put in.

The ACTING CHAIRMAN: They relate to British horses chiefly.

Mr. CARVELL: I cannot tell you. I think they do because reference is made to General Benson. Of course General Benson was buying Canadian horses too.

The ACTING CHAIRMAN: But for the British Government.

Mr. CARVELL: For the Canadian Government, I presume.

*By Mr. Carvell:*

Q. The next telegram is in September, where is the first part of the September telegrams?—A. (Telegrams produced and read.)

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E 1.

"MORRISBURG, September 14, 1914.

Colonel W. C. Skinner, c/o Capt. J. O. Ballard, Malone, N.Y.  
Will arrive Manhattan Hotel Wednesday morning, can I see you.

(Sgd.) J. WESLEY ALLISON."

"MORRISBURG, September 15, 1914.

*Collect.*

To Col. the Hon. Sam Hughes,  
Minister of Militia and Defence,  
Valcartier, P.Q.

Have received fifteen automatic guns, where will I ship them to. Have expressed pistols to Valcartier. Have written you regarding Benson.

(Sgd.) J. WESLEY ALLISON."

"MORRISBURG, September 18, 1914.

To Col. Hon. Sam Hughes,  
Minister of Militia,  
Valcartier Camp, P.Q.

Expressed twenty-two packages to you Valcartier to-day. Will express five more automatic guns Monday. Just received the following telegram from Bruff. 'Ministers inspectors should be immediately instructed to accept under condition of inspection to which we and the other manufacturers are accustomed, otherwise delays must be seriously, please arrange quickly, furthermore we find the fifty Ross rifles unsuitable for testing purposes, must have Lee-Enfield. Please see that fifty are sent to Bridgeport by express, writing you care Minister, Ottawa.' Bruff has already shipped London many million cartridges that was accepted under inspection as he suggest and which was satisfactory to England. What answer will I make to Colonel Robinson. Colonel Skinner myself will be with you Sunday. Answer.

(Sgd.) J. WESLEY ALLISON."

"MORRISBURG, September 18, 1914.

To C. L. F. Robinson,  
Pres. Colt's Patent Fire Arms Mfg. Co.,  
Hartford, Conn.

Meet me Windsor Hotel, Montreal, Saturday night visit Minister Valcartier Sunday advise Skinner to come also. Answer.

(Sgd.) J. WESLEY ALLISON."

"MORRISBURG, September 19, 1914.

Chas. R. Flint,  
Addressed or 25 Broad St. N.Y.

Allison is offered from reliable firm one million blankets 75 per cent wool grey army at one dollar and fifty eight cents each delivery one thousand daily requested me by wire to advise you as you might require the greater portion for Russia or France stop his is anxious to help you.

(Sgd.) COL. H. G. MORGAN."

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*By Mr. Carvell:*

Q. I assume the concluding sentence in that message should read, "He is anxious to help you"?—A. I presume so.

Q. Will you now take the next one?—A. (Reads):

"MORRISBURG, September 21, 1914.

Archibald B. Hubbard,  
The Midvale Steel Co.,  
Philadelphia, Pa.

Ship twenty-five thousand shovels referred to in your letter eighteenth to me, care J. Wesley Allison, Waddington, N.Y.

(Sgd.) M. G. EDWARDS."

"MORRISBURG, September 22, 1914.

To Col. Hon. Sam Hughes,  
Minister Militia,  
Valcartier Camp, Que.

Expressed you Valcartier to-day eight cases automatic guns stop. One thousand automatic pistols ordered. Will I ship them to Quebec or Valcartier.

(Sgd.) J. WESLEY ALLISON."

"MORRISBURG, September 22, 1914.

Wm. J. Bruff,  
Chairman Remington Arms Co.,  
299 Broadway, New York City.

Ship immediately another hundred thousand Colt pistol cartridges to me to Waddington. I must have them in Quebec Friday. Please quote me prices instead of Bertram.

(Sgd.) J. WESLEY ALLISON."

Q. Here is one about the guns (handing file to witness).—A. (Reads):

"MORRISBURG, Ont., September 26, 1914.

Col. C. D. F. Robinson,  
Pres. Colt Fire Arms Co.,  
Hartford, Conn.

Have wired contents your letter twenty-fourth to Minister. Stop. Ship balance pistols to me Waddington, also loading machines, barrels and belts. Writing.

(Sgd.) J. WESLEY ALLISON."

Q. Here is one about the pistols (hands file to witness).—A. (Reads):

"MORRISBURG, Ont., October 7, 1914.

To Col. the Hon. Sam Hughes,  
Minister of Militia, Ottawa, Ont.

Will you require one to five thousand more Colt pistols to be delivered within sixty days. If so advise immediately, as France has requisitioned for one hundred thousand, which will take output of factory for eighteen months. Stop. This contract is to be signed to-morrow. Important you wire me order for same immediately. Stop. Do you want one hundred or more rapid fire Colt guns? France has requisitioned for three hundred; Russia has requisitioned for five hundred for

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immediate delivery. Stop. The Colt Company will hold these two orders in abeyance, according to our agreement with them, until to-morrow, Tuesday. Awaiting your order. Wire me your replies at once, as I leave for New York to-night.

J. WESLEY ALLISON."

Q. There is another telegram regarding revolvers (hands file to witness).—A. (Reads):

"MORRISBURG, Ont., October 7, 1914.

Colonel the Hon. Sam Hughes,  
Minister of Militia, Ottawa, Ont.

Colt Company are pressing for payment for fifty automatic guns and accessories delivered, amounting approximately to forty-four thousand dollars. Stop. This is your personal order. Eaton appropriation. McNaught requests orders from you direct to pay.

J. WESLEY ALLISON."

Q. Here seems to be one (handing telegrams to witness).—A. (Reads):

"MORRISBURG, October 10, 1914.

To Col. C. L. F. Robinson,  
President Colts Patent Fire Arms Mfg. Co.,  
Hartford, Conn.

Have arranged with Brown for extras. Think I should see you and Stone before he goes Ottawa. Have arranged payments of material on last order satisfactory to you.

(Sgd.) J. WESLEY ALLISON."

Mr. CARVELL: Here is a telegram which I think would have something to do with those samples which have been under discussion. The telegram does not really explain very much, but possibly an explanation may be offered later on.

The WITNESS: (Reads):

"MORRISBURG, October 10, 1914.

Col. William McBain,  
Hotel Frontenac,  
Quebec.

Do you want my representative to explain to any one in Ottawa contents of trunk and boots, or will he see you first. Russian Ambassador telegraphed me to come to Washington immediately. MacLean will call on you at Ritz Sunday.

(Sgd.) J. WESLEY ALLISON."

By Mr. Carvell:

Q. Now, here is a telegram (producing telegram), and it would seem that there ought to be another part of it somewhere?—A. (After examining telegram.) It looks as if there were a part of that missing.

Q. Just read what you have there, anyway?—A. (Reads):

"MORRISBURG, October 9.

F. R. Batchelder,  
Mills Woven Cartridge Belt Co.,  
Worcester, Mass.

Have official order for five thousand officers' pistol equipment. Will be in New  
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York, Manhattan Hotel, Sunday morning. Will hand same to you, or mail it from there. Please start work immediately, and rush this order."

That is as far as we get, but the telegram is in Morgan's writing.

Q. You say the telegram is in Morgan's writing?—A. Yes.

Mr. CARVELL: Here is a very optimistic telegram. If there is no objection to its going in I would like to have it placed on the record.

The CHAIRMAN: All right.

*By Mr. Carvell:*

Q. Will you read it, please?—A. (Reads):

"MORRISBURG, October 9, 1914.

Frank Adams,  
Room 408, Manhattan Hotel,  
New York.

Everything fine, your matter going through, don't give yourself any uneasiness. Am delayed here, will be in New York Sunday morning. Have Lehman at hotel to meet me. We must get everything in order for Wednesday.

(Sgd.) MORGAN "

Q. Now, read the next telegram.—A. (Reads):

"MORRISBURG, October 9, 1914.

To W. J. Bruff,  
Chairman, Remington Arms Union Co.,  
299 Broadway, New York.

Total order of pistol cartridges required by Canadian Government is 500,000. I am writing you where to ship balance of cartridges. Will see you Monday or Tuesday in New York.

(Sgd.) J. WESLEY ALLISON."

Then there is a telegram dated October 9, 1914. (Reads):

To C. L. F. Robinson,  
Pres. Colts Patent Fire Arms,  
Hartford, Conn.

The entire order to-day and yesterday for rapid-firing guns for Canadian guns is two hundred and fifty. Director of Contracts Brown will advise you of spare parts required. He may send the list to me to hand to you Tuesday. Do not send Stone to Ottawa until you see me Tuesday.

(Sgd.) J. WESLEY ALLISON."

There is another telegram which reads as follows. (Reads):

"MORRISBURG, October 9, 1914.

To Col. C. L. F. Robinson,  
Pres. Colts Arms Co.,  
Hartford, Conn.

Cabinet ratified additional order for one hundred and fifty additional automatic guns making two hundred in all, on previous order."

That must have been telephoned, but the signature is J. W. Allison.

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Q. That brings us to October. I do not think there is anything in November.—  
A. Here are some dated September (producing telegrams). There is one here reading as follows. (Reads):

“NEW YORK, September 4, 1914.

To H. G. Morgan,  
St. Lawrence Hall,  
Morrisburg.

Studebaker number size one inch bridle post bit and curb strap two fifty net each or with U. S. Army bits three dollars net each. Deliveries five hundred daily.

(Sgd.) STUDEBAKER.”

Mr. KYTE: Has that reference to harness?

Mr. CARVELL: Yes.

Mr. KYTE: I might say that in the fyle containing this item under investigation, there is a charge for the transportation of a car of harness.

Mr. CARVELL: Then it will not do any harm to leave that last telegram in the record.

(To the witness): Go on with the next telegram.

The Witness. (Reads):

“NEW YORK, September 4, 1914.

“Col. H. G. Morgan,  
“St. Lawrence Hall,  
Morrisburg.

“Khaki wool coat and breeches, U.S.A. regulation, \$9, coat and trousers nine fifteen, shoes one seventy-five, one ninety and two twenty-five, socks eighty-five cents dozen quotations on overcoats, blankets, gloves follow to-morrow. Samples will follow on receipt of wire that prices are satisfactory. Quotations subject perhaps to trimming any quantity can be supplied.

“(Sgd.) A. WARSHOW.”

Then there is another telegram from Warshow, which reads as follows. (Reads):

“NEW YORK, September 9, 1914.

“Col. H. G. MORGAN,  
“St. Lawrence Hall,  
“Morrisburg.

“Package sent American express September 5 to Morrisburg Friday sample of uniforms and overcoats together with quotations under signature and commission contract will be forwarded. If shoe samples satisfactory will then try to agree upon commission and obtain quotation under signature same about socks.

“(Sgd.) A. WARSHOW.”

Mr. CARVELL: Mr. Chairman, I have accomplished all I possibly can in the short time at my disposal. I find there are two fyles here for September which I have not had the opportunity of looking at, but there is an October fyle we may go on with.

The WITNESS. (Reads):

“NEW YORK, October 1, 1914.

“M. G. EDWARDS,  
“Morrisburg.

“Ship shovels from Morrisburg by freight. Have telegraphed Ashton to-day.

(Sgd.) J. WESLEY ALLISON.

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"NEW YORK, October 2, 1914.

"M. G. EDWARDS.

"Ship guns by express ship shovels by freight——

(Sgd.) J. WESLEY ALLISON."

Mr. CARVELL: The latter part of that telegram seems to be private, I do not want that portion of it on the record.

*By Mr. Carvell:*

Q. Will you take the next telegram please, October 5, 1914?—A. (Reads):

"OTTAWA, ONT., October 5, 1914.

"Col. J. W. ALLISON,

"Please ship shovels direct to Col. Price, Quebec, marked for Canadian Contingent.

(Sgd.) SAM HUGHES."

"NEW YORK, October 8, 1914.

"Col. J. WESLEY ALLISON,

"Have telegram from H. W. Brown, Director of Contracts, saying, will require three hundred thousand calibre forty-five, asking when we can commence delivery and how many we can supply weekly, thereafter we will ship one hundred thousand October thirteenth, completing your order how many more are wanted think we can continue shipping at least one hundred thousand weekly if we have orders sufficiently in advance.

(Sgd.) REMINGTON ARMS UNION  
METALLIC CARTRIDGE CO.

W. J. BRUFF,  
*Chairman.*"

"OTTAWA, October 9, 1914.

"Col. J. WESLEY ALLISON,

"Please order two hundred more Colts rapid fire guns, writing.

(Sgd.) H. W. BROWN,  
*Director of Contracts.*

"OTTAWA, October 9, 1914.

"Col. J. WESLEY ALLISON,

"Order for Militia Department two hundred in all.

(Sgd.) CLIFFORD SIFTON."

"OTTAWA, ONT., October 15, 1914.

"Col. J. W. ALLISON,

"Recd. your letters 10th inst. *re* invoices, Midvale Steel Co. and Colts Company, to whom were goods delivered can find no one to receipt invoices.

(Sgd.) H. W. BROWN,  
*Director of Contracts.*"

Mr. CARVELL: That, Mr. Chairman, covers the matter as far as we have been able to investigate these telegrams. I don't suppose that we can go any farther with this witness to-day and, of course, I do not want him to come back again unless it is

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absolutely necessary. I would like to ask this one question of the witness if the Committee think it advisable.

*By Mr. Carvell:*

Q. Without going into the contents of these telegrams more than we have done, to what items do the telegrams relate other than Colt's revolvers and shovels?—A. Chiefly to horses.

Q. And to what else?—A. Clothing, boots and shoes, quotations on blankets.

Q. That would come in under "clothing," I presume, and small arm ammunition also, do they not?—A. And harness.

Hon. Mr. CROTHERS: And saddles also.

WITNESS: And saddles.

*By the Acting Chairman:*

Q. Do you regard these telegrams as being in connection with the purchase of British horses or Canadian horses? Whose names were on those telegrams?—A. The most of them are Major MacLean, who was in the West buying horses.

Q. Do you know who Major MacLean is?—A. Major Charles W. MacLean, he is at present organizing a Sportsman's Battalion between here and Montreal.

Q. Then he is a Canadian?—A. Yes.

Q. You know who he is?—A. Yes.

Q. I think Colonel Benson's name is mentioned?—A. Well, his name is there, but of course the telegrams to Col. Benson are more about inspection; they had trouble about inspection in the West.

Mr. CARVELL: I have tried to meet the conscience of the witness. I understand, of course, that an official of any company likes to keep all matters passing through his hands as confidential as possible, and I have not asked him to divulge the contents of any telegrams except those that, to the Committee, appear to relate to the subject in question. It may be that at a future time we would want the remainder of these telegrams, and I assume that they will be preserved. I understand there is a rule of the telegraph company that these documents are destroyed at the end of a certain period. Fortunately although that time has gone by these documents have not been destroyed. I would like to ask the witness if I can have his promise that these telegrams will not be destroyed, and that they will be available in case the Committee order them to be again produced.

WITNESS: I certainly will not destroy them, no.

Mr. CARVELL: Mr. Kyte suggests that supposing the company give instructions to the contrary, would he still obey the directions of this Committee?

WITNESS: I will not destroy them.

Witness retired.

Mr. J. F. MYERS recalled, and further examined.

The ACTING CHAIRMAN: You are already sworn.

*By Mr. Carvell:*

Q. You are the station agent at Morrisburg, but you are producing the express company's documents by agreement?—A. Yes, sir.

Q. Have you here all the express books for the months of August, September, October and November, 1914?—A. (After examining exhibits) Yes, I believe they are all here. No, from September until the end of the year.

Mr. FRED. R. CHALMERS.

*By the Acting Chairman:*

Q. What year?—A. 1914.

*By Mr. Carvell:*

Q. We want only those portions concerning the goods shipped to Valcartier for the Government, by Mr. Allison, or Morgan, or Sifton. We do not want to go into all your private affairs.—A. I have not been over the express waybills, but I suppose we will have to look over them all from September.

*By Mr. Bennett (Simcoe):*

Q. Can we arrive at the dates of the shipments from the dates of the invoices? If they show a shipment in September, 1914, by freight, you can look at that month.—A. This is express (indicating documents). I know where the freight is.

*By Mr. Carvell:*

Q. We will start, anyway, and see where we get. Take the express.

*By the Acting Chairman:*

Q. What month?—A. September. (Witness looks through documents.)

Mr. CARVELL: I am afraid, Mr. Chairman, that the time required to go through these documents is beyond our possibilities at this time. Why cannot this witness codify this information? It would take us half a day to go over all this.

Mr. BENNETT (Simcoe): An officer of the Auditor General might go over these documents with the witness, using the accounts as a basis.

Mr. CARVELL: We ought to be able to go a little farther than that. We have evidence that the shovels and the Colt revolvers came this way, and the evidence of the Collector of Customs that other boxes—he did not know what was in them—were also brought in. I think this Committee ought to go a little farther than what the actual accounts show. The object I had in mind was to find out the number of packages and all the information we can about the goods shipped out of Morrisburg by express. I know that this witness could take the time himself, and make up a statement right offhand; and I am willing to take the witness's statement for it.

Mr. BENNETT (Simcoe): Can we not meet to-morrow morning?

Mr. CARVELL: I would suggest that we meet either at ten o'clock or half past ten to-morrow.

Mr. BENNETT (Simcoe): The witness understands what he is to do. He is to go through all these documents, and list them, and be able to say under oath: "I have gone through all these, and the only ones which refer to these items are those I produce."

Mr. CARVELL: The shipments by express from Morrisburg. He had better codify the freight bills as well. He will take out the leaf referring to each one of these transactions, and that will speak for itself.

Witness retired.

Mr. CARVELL: Before we adjourn, Mr. Chairman, from the telegrams which have been read here to-day it is perfectly patent that Col. J. Wesley Allison was practically the Militia Department, so far as the purchasing of these supplies was concerned. I cannot recall all the telegrams; but you see he received instructions from the minister, he gave orders, he purchased. It is pretty hard to make an intelligent investigation of this matter without having Mr. Allison here; and I would like to know whether the Government have taken any steps, or made any attempt, to have

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Mr. Allison here since this matter was brought up some four or five days ago? Has the Minister of Labour no answer to that question?

Hon. Mr. CROTHERS: I made inquiries in the Militia Department, and I was told Colonel Allison was not in the employ of the Government in any capacity, and that they had no control over him whatever.

Mr. CARVELL: That may be true. But it is well known—I can make the statement here, and I am not the only member of parliament who knows—that Colonel Allison is in New York. He was in New York on Friday and Saturday. I do not know that I know of anybody who saw him there on Monday, but I do know people who saw him there on Saturday, hale, hearty and enjoying life with certain other distinguished Canadians at the Manhattan hotel. And if the Militia Department would request Colonel Allison to come here it might produce results. Even if he be not in their employ, he is a Colonel, and to some extent he must be under the control of the Department. He was certainly the agent of the Government, he was the agent of the Militia Department in making these purchases. And while I do not want to take action at this stage, I propose some time to ask that the Militia Department or the Government take some steps in order to have such an important witness here.

Hon. Mr. CROTHERS: What steps would you suggest?

Mr. CARVELL: I would suggest, in the first place, that the Militia Department urgently request that Colonel Allison come here. If that does not produce results, I would suggest that this Committee issue a subpoena and have it served upon him in New York. I will admit that Colonel Allison can disobey the subpoena. But Colonel Allison is a prominent citizen of Canada, and up to a short time ago was a prominent official of the Department of Militia and Defence of this country; and if this Committee serve a subpoena upon him, in all human probability he would not refuse and he would not disobey this subpoena; although I want to admit that legally we could not proceed against him for contempt, because of failure to appear.

The ACTING CHAIRMAN: Was he a paid official of the Government?

Mr. CARVELL: That is a pretty big question. He got his pay all right.

The ACTING CHAIRMAN: Was he a paid official of the Government?

Mr. CARVELL: I have no evidence that he was paid by the Government, but one would require a great deal of credulity who thinks that Colonel Allison was doing all this work because of patriotism.

Hon. Mr. CROTHERS: There was a subpoena sent to Morrisburg.

Mr. CARVELL: Yes, but it was never delivered.

Hon. Mr. CROTHERS: It was delivered to Allison's agent there.

Mr. CARVELL: Of course, we have no evidence that it got any farther than that. I do not think that any person can claim that during this session we have tried to make unnecessary expenditures for the work of this Committee. We have refrained from bringing witnesses from British Columbia, and I do not want to go to the expense of sending a messenger to New York. But if I cannot get him any other way, we will have to ask this Committee to send a messenger to New York to personally serve a subpoena. Without Colonel Allison we are only running against a lot of suspicious incidents, and we cannot get any further.

Hon. Mr. CROTHERS: From the evidence we have from the Clerk we think that he has notice that he is wanted here. If that is so, short of compulsory means how can we get him here?

Mr. CARVELL: I appreciate that we have no power compelling him to come.

Hon. Mr. CROTHERS: We will be no further on if we send a man to serve him papers.

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Mr. CARVELL: But gentlemen of that kind can say: "I have no idea I was wanted in Canada; I got no subpoena." I have no doubt, if you went to him to-day, that that would be the answer.

Hon. Mr. CROTHERS: I suppose if we served a subpoena by messenger it would be satisfactory?

Mr. CARVELL: If we absolutely knew it was served upon him personally. However, I do not want to make this motion to-day, I thought I would make the suggestion. And I still think if the Militia Department would get busy and do all in their power, they ought to have sufficient control over this gentleman to have him here.

Mr. KYTE: There should be no question at all. We have no Minister of Militia with us, but we have an Acting Minister of Militia in charge of this Department. We do know—the evidence is overwhelming—that a relation of the utmost confidence existed between Colonel Allison and the Department of Militia. The Minister of Militia said over and over again that Colonel Allison's services to the Department and the country saved millions of dollars. That being the case, it is up to the Department of Militia to bring him here. When did these relations terminate that were so confidential, and so much depended upon, between Colonel Allison and the Department of Militia? I think that if the Department cannot bring him here, we cannot bring him here. But I cannot think that Colonel Allison would refuse to come if the acting minister, for instance, should request his presence here before the Committee.

The ACTING CHAIRMAN: We might make inquiry about this matter until the morning.

Committee adjourned.

HOUSE OF COMMONS,

Room No. 301,

THURSDAY, March 16, 1916.

The Select Standing Committee on Public Accounts met at 10 o'clock a.m., Mr. Blain, in the absence of Mr. Middlebro, presiding.

The Committee proceeded to the further consideration of a payment of \$1,003.23 to the Ottawa and New York Railway Company.

Mr. FRED MYERS recalled and further examined.

*By Mr. Carvell:*

Q. Have you gone over your freight bills and separated them as requested?—A. I have.

Q. And have you prepared a tabulated statement of those freight bills containing all the shipments by Colonel Allison?—A. I have. (Produces statement.)

Q. Is the statement which you now produce the result of investigation of your way bills for outward freight?—A. Yes, outward freight.

Q. Will you place that statement on the record.

(Statement filed and placed on record as follows:).

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Shipments forwarded by Grand Trunk freight from Morrisburg, Ont., by J. W. Allison, from September 1, 1914, to November 30, 1914.

Date.	Waybill No.	Shipper.	Consignee.	Destination.	Articles.
Oct. 6/14.....	2/28	J. W. Allison.	Col. W. Price.	Quebec.	20 cases shovels.
" 8/14.....	3/37	"	"	"	30 "
" 9/14.....	5/45	"	"	"	24 "
" 10/14.....	6/49	"	"	"	41 "
" 12/14.....	7/57	"	"	"	33 "
" 13/14.....	9/71	"	"	"	30 "
" 14/14.....	10/85	"	"	"	32 "
" 21/14.....	5/123	"	"	"	40 "
				Total.....	250

Q. All the shipments referred to in that statement were of shovels?—A. Yes.

Q. And the other goods were not shipped by freight?—A. No other goods were shipped by freight.

Q. Were there any other goods shipped by freight by Colonel Allison to any other portion of Canada during the period covered by that statement excepting to Valcartier or Quebec?—A. No sir.

Q. Now as to the express. Have you prepared a similar statement with regard to the goods shipped by express?—A. I have.

Q. Will you please produce it?

(Statement produced by witness as follows:)

Shipments forwarded by express from Morrisburg, Ont., by J. W. Allison, from September 1, 1914, to November 30, 1914.

Date Shipped.	Articles.	Shipper.	Consignee.	Destination.
Sept. 4/14.....	9 boxes, value \$400...	J. W. Sifton.....	J. W. Sifton.....	Brockville.
" 15/14.....	1 grip, 2 parcels.....	J. W. Allison.....	Col. Sam Hughes...	Valcartier.
" 18/14.....	10 boxes.....	"	"	"
" 22/14.....	8 boxes, 1 bag and 1 parcel.....	"	"	"
" 23/14.....	1 trunk, 1 box.....	"	Col. W. McBain...	Quebec.
" 23/14.....	1 parcel.....	"	Col. Sam Hughes...	Valcartier.
" 24/14.....	1 parcel.....	"	"	"
" 25/14.....	6 boxes.....	"	Col. W. Hallick...	Quebec.
" 26/14.....	33 boxes.....	"	"	"
" 26/14.....	7 boxes.....	"	"	"
" 30/14.....	6 boxes.....	"	"	"
Oct. 2/14.....	9 boxes.....	"	"	"
" 7/14.....	45 boxes.....	"	"	"
" 22/14.....	1 crate.....	"	Consolidated Plate Glass Co.....	Montreal.
" 22/14.....	1 parcel.....	"	A. G. Spaulding & Bro.....	Toronto.
" 22/14.....	1 parcel.....	"	"	"

Q. I would like to ask a few general questions in reference to the statement you have just handed in. Of course this is information which we all have but I want to get it on the record. According to the statement the value of the first consignment shipped by express on September 4 was \$400?—A. Yes.

Q. Who placed that value on the goods?—A. The shipper.

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Q. Does the express company take any means of their own to verify the truthfulness of that value?—A. No.

Q. What is the object of placing a valuation upon it?—A. I suppose it is in case of loss.

Q. It would be prima facie evidence as to the extent of the loss?—A. The value.

Q. As to the value of the goods shipped?—A. Yes.

Q. I observe that in no case, except the one was the value of the goods shipped given?—A. No sir, just the first shipment.

Q. Now we are not going to take the trouble of examining all these documents personally; have you examined all of the books and papers in connection with both the freight and express in the railway company's business at Morrisburg, and, as a result of that examination do you state this to be a true record?—A. Yes.

Q. And that there is nothing else in the books excepting what is shown in these two statements?—A. That is all.

*By the Acting Chairman:*

Q. Do you know who Colonel Sir William Price is?—A. No, I do not.

THE ACTING CHAIRMAN: He is in the employ of the Government, as I understand.

MR. CARVELL: There is no doubt that Colonel Price had to do with the transportation at Quebec.

*By Mr. Carvell:*

Q. This statement goes down to the end of the year 1914. Speaking generally, were there any goods shipped by the same parties either by freight or express in the year 1915 down to the 31st of March, that is to the end of the fiscal year?—A. No, sir.

Q. This covers everything?—A. Yes, sir.

Witness discharged.

MR. CARVELL: I must confess that we have been rambling a little. I think the specific item under consideration is a payment of \$1,003.23 to the Ottawa and New York Railway Co., and I hardly think we have covered that point yet. I would suggest that the officials of this Railway Company be subpoenaed to attend to give evidence regarding this special train that we are supposed to have been discussing. The instructions given to the collector of customs at Morrisburg, according to the evidence of Mr. McDougald, were to let the Sifton Battery in. Now I am advised—and I do not think there will be any question that the truth will be that the Sifton Battery came through Cornwall, and if necessary later on I would call witnesses to prove that fact, unless it can be proven by the Railway Company itself. That is the object I have in view; and then I also want to investigate these other items to some extent. Could we not proceed to-morrow morning, after we are through with this matter, with the British Columbia dredging upon which we have made a start?

THE CHAIRMAN: All right.

Committee adjourned.

MR. J. F. MYERS.



## APPENDIX No. 1

## HOUSE OF COMMONS,

COMMITTEE ROOM No. 301,

FRIDAY, March 17, 1916.

The Select Standing Committee on Public Accounts met at 11 o'clock a.m., the chairman, Mr. Middlebro, presiding.

The committee proceeded to the further consideration of a payment of \$1,003.23 to the Ottawa and New York Railway Company.

Mr. GEO. H. CLARK called, swore and examined.

*By Mr. Carvell:*

Q. What position do you occupy with the Ottawa and New York Railway Company, Mr. Clark?—A. General freight and passenger agent.

Q. And did you occupy that position in the autumn of 1914?—A. Yes.

Q. We have a large number of items under discussion. On examining the item I find the first item is "Transportation, \$111.79," can you explain anything about that?—A. No, sir, I do not know anything about it. It is probably a freight item. If you can give me the details of how that is computed I can probably give you some information on it.

Q. And the next item is "Freight, \$468." I am satisfied you would not be able to give us the details of that item unless you could get further information by which to identify it?—A. I have the freight bills here which will cover all the items represented in the account for freight.

Q. We will next take the item, "Special train service in hauling private car for Hon. S. Hughes, \$317.50?"—A. Yes.

Q. Can you give me the details of that item?—A. Yes. On February 21 we were requested to run a special train from Ottawa to Cornwall and return.

Q. On February 21?—A. February 21, 1915.

*By Hon. Mr. Crothers:*

Q. You were requested to do what?—A. To run a special train from Ottawa to Cornwall and return on February 21, 1915. That item is made up of 114 miles, and the charge is \$142.50. Then there was another movement on August 21, 1914, from Ottawa to Moira and return.

*By Mr. Carvell:*

Q. That is in the State of New York, is it?—A. Yes, and the charge on that was \$175.

Q. And what were the charges on the first?—A. \$142.50. That is 114 miles at \$1.25 per mile, and this is an item of \$175, and it is a charge from the international boundary to Moira and from Moira to Ottawa. We made no charge from Ottawa to Cornwall or the international boundary as that private car was handled on the regular train, but the movement from Moira to Ottawa was a special train, a special service.

Q. So then this \$175 would only refer to the movement of a private car?—A. From the international boundary to Moira and from Moira to Ottawa.

Q. That would be a special all the way back?—A. All the return.

Q. But the car was attached to the regular going south?—A. Going south, yes.

Q. That was on August 21, 1914?—A. Yes.

Q. And what else?—A. That covers that amount.

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Q. That is the \$317.50?—A. Yes.

Q. Now the next we have is, "Special train service for J. Wesley Allison, \$105.45?—A. Ottawa to Cornwall, August 26, 1914, that item of \$105.45 is made up of 57 miles at \$1.85 per mile special train movement.

*By the Chairman:*

Q. The movement on February 21, 1915, was a Sunday train, was it not?—A. Yes.

*By Mr. Carvell:*

Q. What is the amount of that last item?—A. \$105.45.

Q. That is for the Allison train?—A. Yes.

Q. Did you say that was from Ottawa to Cornwall and return?—A. No, sir, Ottawa to Cornwall, 57 miles, at \$1.85 per mile.

Q. Was that a passenger or a freight train?—A. That was a special train leaving Ottawa at 7.40 p.m. to make connection with the Grand Trunk train from Cornwall to the west.

Q. It was a special passenger train?—A. Yes.

Q. Who requisitioned your company for the train?—A. Colonel Hughes, at that time Colonel Hughes.

Q. That is the Minister of Militia?—A. Yes.

*By Hon. Mr. Crothers:*

Q. How many passenger cars would be on that train?—A. There were two coaches. We just ran an extra coach so as to make it safe, that is all.

Q. But only one coach was needed?—A. Yes.

*By the Chairman:*

Q. Did you charge for the other coach?—A. No.

*By Mr. Bennett (Simcoe):*

Q. Is there anything to show who occupied that car?—A. That car was occupied by Mr. J. Wesley Allison, who was the only passenger on board.

*By Mr. Carvell:*

Q. I suppose it is a fact that you never run one coach on a train if you can avoid it?—A. We do not like to; we put on another coach to make it safe.

Q. Would you charge just as much for one car as for two?—A. Yes.

*By Mr. Blain:*

Q. The special train was run in order to enable Mr. Allison to make connections for the west?—A. Yes, that is my understanding, he wanted to catch the Grand Trunk train at Cornwall.

*By Hon. Mr. Crothers:*

Q. At what hour might he have taken the regular train to make that connection?—A. At 4.25.

Q. And without this special he would not have been able to make the connection?—A. No, sir.

*By Mr. Carvell:*

Q. And when did this special train leave Ottawa?—A. At 7.40 p.m. on August 26, 1914.

Q. And what would be the destination of that Grand Trunk train?—A. It is the Toronto train, and points west.

Q. That would be the immediate destination, Toronto?—A. Yes.

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Q. And when would the Grand Trunk regular train from Cornwall to the west land Mr. Allison in Toronto?—A. About 7.30 in the morning.

Q. Was there not another train leaving Ottawa after 7.40 p.m. that evening which would have landed him in Toronto at practically the same time?—A. I do not understand that he went to Toronto. He was catching that train, but I do not think his destination was Toronto.

Q. Then let us have all you know about it?—A. I understood that Mr. Allison was going to Morrisburg.

Q. To Morrisburg? How far is Morrisburg from Cornwall?—A. I do not know the exact distance, 30 to 40 miles.

Q. It would be east or west?—A. West.

Q. Morrisburg is west of Cornwall?—A. Yes.

Q. Then the only object of this special train was to get him to Morrisburg a little earlier?—A. I do not know the object.

Q. That is the result of it anyway?—A. That is the result.

Q. Well, the automobiling ought to be pretty good at that time of year, should it not? (No answer.)

*By the Chairman:*

Q. He would require to get there at what time in order to make connections with New York?—A. We have no connection south of Ogdensburg that he could make. Our train leaves Ogdensburg at 6.55 for New York, we have no later train than that.

Q. And he would not arrive at Morrisburg until what time?—A. I presume he would get into Morrisburg about eleven o'clock if he made any kind of connections.

Q. And that would be too late for the New York train?—A. Yes, it leaves Ogdensburg at 6.55

*By Mr. Carvell:*

Q. And how far would Morrisburg be from Brockville?—A. I have not the Grand Trunk time table with me.

Q. But you know the location pretty well?—A. There is not very much difference in the mileage there; I should imagine it would be 15 or 20 miles.

Q. From Morrisburg to Brockville?—A. Yes.

Q. Would there have been a Canadian Pacific Railway train leaving Ottawa later in the evening for Brockville?—A. No, I do not think so. The Canadian Pacific Railway had a 10.45 train, or about that time, for Smiths Falls, but I do not think that train touched Brockville.

Q. Do you know anything about the train which carried what is called the Sifton Machine Gun Battery into Canada?—A. Freight?.

Q. Yes—well, I do not know whether it is freight, express or what it is?—A. I, personally, do not know anything about it.

Q. Well, have you any record of such a train, a freight train?—A. We made no charge for a special freight train for any purpose.

Q. I did not say a special freight train. Have you any record of having transported the Sifton Machine Gun Battery?—A. Do you know who it was consigned to?

Q. No, I am sorry to say I do not?—A. I have a lot of freight bills here for the year April 1, 1914, to April 1, 1915, covering everything in the way of requisitions, but I do not see anything here.

Q. This would be possibly in the month of October or the first of November?—A. Apparently there is nothing here in these freight bills.

Q. You do not find anything there?—A. No, sir.

Q. Now, I would not want you to give any information which has been hearsay, but if you have any knowledge whatever about this shipment, I would like to have it?—A. I haven't any; all I have is the freight bills and I do not find any reference to them here. I have no personal knowledge on the matter.

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Q. Did you see any of these guns on any of your freight trains or being loaded on any of them?—A. No, sir.

Q. Have you any knowledge of having seen them after their arrival in Ottawa?—A. I saw them after they arrived here.

Q. Where did you see them?—A. In the parade on the street.

Q. About what time would that be?—A. That is not an easy question to answer; I cannot say definitely.

Q. You are sure that they landed in Ottawa?—A. Oh, yes, they came to Ottawa all right.

Q. And so that is as far as you can go, is it, on that point?—A. Yes, if you will give me the requisition number or something along that line I can have it looked up and get the details of it.

Q. What express company operates over your road?—A. The American.

Q. Who is the agent?—A. Mr. Brookins is the local agent.

Q. What are his initials?—A. "H. W." Brookins.

Q. Your road runs direct to the United States?—A. Yes, sir.

Q. And would it be possible for these machine guns to come from the United States direct to Ottawa over your road by express?—A. Yes, sir.

Q. I thought so. Mr. Brookings would be the official who could give the information?—A. Yes.

*By Mr. Kyte:*

Q. Mr. Clark, I see here a charge of \$104.58 on the 25th February, 1915, transport account. Would you explain to the committee how that item is made up?—A. I have not anything here on it.

Mr. CARVELL: I think that will probably be freight.

The WITNESS: Is it consigned to any particular party?

Mr. CARVELL: I would judge it was freight. It must be received by the Militia Department, because it says here: "General abstract of claims received at Department of Militia and Defence, and paid on the 25th of February."

The WITNESS: Is the requisition number there?

Mr. CARVELL: No. It says transport account A.R. 88, 1914-15.

The WITNESS: And that date was what?

Mr. KYTE: The date was the 25th—no, the 23rd of February, 1915.

The WITNESS: No, we have not any such item as that. I have some items here, one \$72.47.

Mr. KYTE: If you look at these (producing papers) you might find it.

Mr. CARVELL: I think that is an accumulation of ordinary freight.

The CHAIRMAN: It is likely an accumulation of some of these things.

The WITNESS: We have the entire year's freight bills here.

Witness discharged.

Mr. CARVELL: There are a couple of gentlemen here representing the Ottawa and New York Railway, one being Mr. S. R. Payne, representing the general manager. But I may say that he tells me that he has no knowledge whatever of the Sifton Battery; that if it came by express, which I believe it did, that information would be given by the express company. Therefore I see no object in calling Mr. Payne, unless some member of the committee wishes to do so.

The CHAIRMAN: Mr. Payne, you are discharged.

Committee adjourned.

Mr. GEO. H. CLARK.



## APPENDIX No. 1

House of Commons,

Room No. 301,

Wednesday, March 22, 1916.

The Select Standing Committee on Public Accounts met at 11 o'clock a.m., the Chairman, Mr. Middlebro, presiding.

The committee proceeded to the further consideration of a payment of \$1,003.25 to the Ottawa and New York Railway Company by the Department of Militia and Defence, as set out at p. 22-31 of the Report of the Auditor General for the year ended March 31, 1915.

The CHAIRMAN: Mr. Cline, customs officer, Cornwall, is here. He says his wife is not very well and he would like to be examined first so as to return home at the earliest possible moment, if that is agreeable.

Mr. CARVELL: I was going to make out some motions for papers, but I will put that off in order to meet the wishes of the witness.

Mr. JOHN CLINE: called, sworn and examined:

*By Mr. Kyte:*

Q. You are collector of customs at Cornwall, are you not?—A. No, sir.

Q. Customs officer then?—A. Customs officer, yes. I am not the collector, sir.

Q. Who is the collector?—A. F. J. McLennan.

Q. What are your duties?—A. Well, general work around the office and outside work around the New York and Ottawa station.

Q. Have you had anything to do with making entries?—A. Yes, sir.

Q. Of imports and shipments?—A. Yes, sir.

Q. Were you a customs officer in August, September, October and November of 1914?—A. Yes, sir.

Q. Are you aware of any shipments of goods from the United States to Cornwall during those months?—A. No, sir.

Hon. Mr. REID: Shipments of what?

Mr. KYTE: Goods of any kind.

The WITNESS: To whom do you have reference?

*By Mr. Kyte:*

Q. I have reference to munitions and military supplies.—A. No, sir.

Q. Do you know anything of the so-called Sifton Battery that was presented by Sir Clifford Sifton to the Department of Militia?—A. No, sir.

Q. You are not aware that any portion of that battery came into Cornwall?—A. Not to my recollection. I cannot recall it.

Q. If it had come into Cornwall would you have known anything about it?—A. Not necessarily, no, sir.

Q. Do you know if any entry was made of it in the customs books at Cornwall?—A. None.

Q. There was none whatever?—A. None whatever.

Q. So far as you know was there any entry of munitions of any kind whatever made in the customs books at Cornwall?—A. Not one, sir.

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Q. Do you know of any goods coming in addressed to Colonel J. W. Allison, for instance?—A. None, sir.

Q. Do you say that there were none or that you do not recollect?—A. Absolutely none. I recollect thoroughly.

Q. You are sure that there were not any entries made?—A. Absolutely sure.

Q. Are you in a position to say whether any goods of the description I have given came through Cornwall without having been entered?—A. Would you just repeat that, please?

Q. Have you any knowledge that any supplies of munitions of any kind whatever came into Cornwall without having been entered in the customs?—A. Consigned to Cornwall?

Q. Consigned to Colonel J. W. Allison or Colonel Morgan?—A. None, sir.

Q. How is it you are so positive about that?—A. Because—I beg your pardon, sir.

Q. Yes?—A. I know every entry that is passed through Cornwall.

Q. You mean every entry that is made in the books?—A. Every entry that is made in the books in Cornwall.

Q. But I am speaking of goods that may have come in without being entered?—A. None would have come in without being entered in Cornwall. We have no authority to pass goods without proper entry being made.

Q. Are you aware of any goods that came through Cornwall in bond?—A. Where to, sir?

Q. To Ottawa?—A. Yes, sir.

Q. And Quebec?

Hon. Mr. REID: Goods would come to Cornwall and then be bonded from there through to their destination. That is done in the case of goods coming across the frontier in bond. The manifests are made out in that port to wherever the goods are going. I am only making this explanation so that you may be able to ask your questions properly.

*By Mr. Kyte:*

Q. Then there were some goods that came into Cornwall in bond?—A. Yes, sir.

Q. What was their destination?—A. Ottawa.

Q. To whom were they addressed?—A. A great many of them to the Militia Department, I cannot tell you all, but largely to the Militia Department.

Q. Would there be any record of that in the books at Cornwall?—A. No, sir.

*By Hon. Mr. Reid:*

Q. Only the manifest?—A. Only the manifest that was filed there.

*By Mr. Kyte:*

Q. Would you say the same treatment was accorded to these goods as to all other goods coming in in bond?—A. Same treatment, sir.

*By Hon. Mr. Reid:*

Q. Exactly the same?—A. Exactly the same.

*By Mr. Kyte:*

Q. During what period did those goods come in?—A. Largely during September and October. I would say the latter part of September and October.

Q. Would there be any record at all to show the quantities of these goods?—A. None whatever.

Q. An export entry was made in the books, was it not?—A. There is no export entry because an export entry relates to goods going out of this country to a foreign

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country. These goods were coming in. Consequently there would be no export entry connected with them.

Q. You never make any entry in your books of goods coming in in bond?—A. That is, consigned to Ottawa, do you mean?

Q. Yes.—A. No, sir, none. Only the manifest.

Q. Have you any copies of those manifests?—A. I have, sir.

Q. Where are they?—A. They are here.

Q. Would you please produce them?—A. I will, sir.

(Witness produces manifests.)

Mr. CARVELL: This witness can tell us whether these machine guns were manifested through Cornwall or not.

The WITNESS: I did not look them up, and I cannot remember so far back. If I were given an opportunity to go over these records I could tell you.

Mr. KYTE: I think we had better give the witness time to look over the manifests and go on to something else.

Hon. Mr. REID: What is it you want him to look up?

Mr. KYTE: He can take his manifests and look up the records of goods in bond during the months of August, September, October and November.

Hon. Mr. REID: You mean goods intended for the Militia Department?

Mr. KYTE: Goods going to Valcartier and Quebec also. We have already had evidence that goods came in at Morrisburg and were forwarded to Quebec.

Hon. Mr. REID: You want him to find out what goods were shipped to the Militia Department, or to any Militia officer, here or at Valcartier?

Mr. KYTE: I would like him to inform the Committee what quantities of munitions and militia supplies—

Hon. Mr. REID: Were bonded in from New York.

Mr. KYTE: From the United States to anybody.

The WITNESS: Absolutely I cannot tell you one thing about that, as our manifest does not show any quantities whatever.

Q. Was the kind of goods shown?—A. Not in every case by freight, the kind of goods are not mentioned on the manifest.

Hon. Mr. REID: Here is a manifest for instance. It gives only this information; Waybill No. 222; No. and kind of package, one package; value per waybill, \$951.36; from whom received, American Bank Note Co., New York; to whom consigned, American Bank Note Co., Ottawa; No. of entry *re* manifest, 15276. That is all the information these manifests give.

Mr. KYTE: Each entry contains then the name of the consignee?

Hon. Mr. REID: Yes, from whom received and the name of the consignee. They might be shipped to some man in Ottawa, and you might not be able to find out who.

Mr. KYTE: We want to find out all the goods that came in to the Militia Department, or addressed to any officer of the Militia.

The CHAIRMAN: The witness would not know the officers' names.

Mr. KYTE: We will find out. I would suggest that he separate the manifests of those months to begin with.

The CHAIRMAN: State specifically what is required.

Mr. KYTE: The manifests covering the period, August, September, October, and November.

Hon. Mr. REID: Do you want to look over them or do you want the witness to do so?

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Mr. KYTE: I want him to state, if he can, which of these manifests has reference to Militia supplies coming in from the United States.

*By the Chairman:*

Q. Can you do that?—A. I cannot do it, sir.

The CHAIRMAN: Can you give the names of the people, Mr. Kyte?

Mr. KYTE: Let the witness name the consignee in each case during those four months.

Hon. Mr. REID: For Ottawa?

Mr. KYTE: We are not confined to Ottawa at all. We know that goods came in from Morrisburg consigned to Quebec and other places.

Hon. Mr. REID: We will find out what this witness has here.

*By Hon. Mr. Reid:*

Q. Have you all your Cornwall entries for goods bonded out of Cornwall for the months of August, September, October and November?—A. Yes.

*By Mr. Kyte:*

Q. I want the witness to get for other points as well.—A. There is nothing consigned to other points at all.

Q. Then you do not have to go through any.

Hon. Mr. REID: The witness has all manifests for Ottawa here now.

*By Mr. Kyte:*

Q. Are they separate from the other places?—A. Yes, sir.

*By the Chairman:*

Q. These manifests are all Ottawa alone?—A. Yes, Ottawa alone.

Mr. KYTE: He says there were no others.

Mr. CARVELL: That boils it down to Ottawa.

Mr. KYTE: Let him go through them.

The CHAIRMAN: And select what?

Mr. KYTE: Let him state who the consignee is.

Hon. Mr. REID: What I think is a better suggestion is this: any member of this committee can at once see that there must be 95 per cent of those manifests that do not refer to anything pertinent to this inquiry. For instance, there is the American Bank Note manifest I spoke of a moment ago. There is another manifest here from W. S. Deslarge to A. E. Rea. You could boil these down to a very few. Would you be willing to let the witness boil them down to what he thinks you require?

The CHAIRMAN: Let Mr. Kyte give the names of the consignees.

Mr. KYTE: After the witness has done so, if we are not satisfied we can look them over.

*By the Chairman:*

Q. How long will it take you to go over them?—A. It will take me probably half a day.

Hon. Mr. REID: The witness could go home this afternoon and come back another day.

Mr. CARVELL: This witness could take these documents and go over them in half an hour.

The WITNESS: I am telling you I cannot do it in half an hour.

MR. JOHN CLINE.



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*By Mr. Carvell:*

Q. We asked you particularly about the machine guns of the Sifton Battery. If those goods are on these manifests you can tell us, and you can easily find out.—A. As far as the Sifton Battery is concerned, there is not one cent's worth in that package, there (indicating manifests).

*By Hon. Mr. Reid:*

Q. Or the freight manifests either?—A. To my knowledge there are none in the freight either. What is largely here is automobile—I mean Red Cross ambulances.

Mr. CARVELL: You can pick them out.

Witness retired to go over documents.

Mr. W. H. BROOKINS called, sworn and examined.

*By Mr. Kyte:*

Q. What is your position, Mr. Brookins?—A. Agent of the American Express Co.

*By Hon. Mr. Reid:*

Q. Where?—A. Ottawa.

*By Mr. Kyte:*

Q. Have you any records of goods brought in by express from Cornwall during the year 1914?—A. I have, sir.

Q. In August, September, October or November?—A. September only.

Q. Were you not asked to bring records for the other months?—A. That is the only thing we have, in September. I brought all the records covering what shipments we have.

Q. Will you produce them, please?—A. Yes, sir, (Documents produced). I got it all boiled down in one sheet. Do you wish to look at it? (Hands document to Mr. Kyte). That is all we handled for the Sifton Battery which appears on those sheets.

*By Hon. Mr. Reid:*

Q. Where did it come from?—A. To Cornwall.

Q. It came to Cornwall?—A. It crossed at Cornwall in bond.

*By Mr. Kyte:*

Q. Have you any idea where it originated?—A. Yes, sir, it came from Ardmore, Pa. That is rather the automobiles.

*By Hon. Mr. Reid:*

Q. The automobiles. What about the guns?—A. I do not know anything about the guns. The guns did not come by us at all. All we had was the Ottawa trucks.

Q. The guns did not come by your company at all?—A. No, sir.

*By Mr. Kyte:*

Q. Will you please read that statement to the committee.

A. (Reads statement as follows):—

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Received of American Express Company, the following

Waybill.		From.	Articles.	Value.	To whom addressed.
No.	Date.	Office at State of.			
				\$ cts.	
5	Sept. 4....	Ardmore, Pa. ....	2 auto. trucks.....	5,100 00	Auto. Car Co. . . . .
			6 tarp. ....		
			11 tanks.....		
			1 pump.....		
6	" 15....	" .....	1 ambl .....		
			2 auto. cars.....	8,450 00	" .....
6	" 16 ...	" .....	2 autos .....		
			1 box .....	5,150 00	" .....
1	" 17....	" .....	1 box .....	5,100 00	" .....
			2 autos .....		
5	" 18....	" .....	4 autos .....	7,905 00	" .....
			2 bdls. ....		
6	" 22....	" .....	1 auto .....	2,075 00	" .....
			1 box .....		
			1 auto truck....		

Rate \$2.00 per hundred.

## APPENDIX No. 1

Articles, in good order at Ottawa, Ont., 1914.

Street and Number or Destination.	Weight.	Total Collect.	Received by.	Paid in part manifest.	Remarks, etc. Add. Deduct.
C. Sifton. ....	10,700	248 54	Scott on waybill..	399	Deld. Sept., 16-14
.....	498				
.....	1,155				
.....	14				
.....	55				
.....	15,850	317 70	.....	404	No. 5. 9-17 60 cts.
.....	10,700	214 10	.....	406	No. 5. 9-19
.....	10,700	216 20	.....	411	No. 5. 9-19
.....	105				
.....	15,578	311 76	.....	415	No. 5. 9-22 10 cts.
.....	10,000	200 10	.....	425	No. 5. 9-24
		1,508 40			

Mr. W. H. BROOKINS.

RECEIVED of American Express Company, the following articles in good order at Ottawa.

Waybill.		From		Articles.	Value.	To whom addressed.	Weight.	Total collect.	Received by.	Remarks, etc. Add. Deduct.
No.	Date.	Office at State of								
682	September 12.....	Hartford, Conn.....		8 pieces.	\$ cts.	R. Brutinel. . .	1,125	21 48	No. 5, 9-16-14	397-99
91	" 15.....	" ".....		1 piece.	.....	" ".....	7½	80	No. 5, 9-22-14	408
2.	" 9.....	Philadelphia.....		1 box.	45 00	" ".....	79	1 76	No. 5, 9-24-14	422
2	" 2.....	" ".....		1 "	160 00	" ".....	111	2 63	No. 5, 9-24	422
161	" 21.....	Hartford, Conn.....		2 boxes.	980 00	" ".....	264	6 02	No. 5, 9-25	426
189	" 22.....	" ".....		1 box.	47 00	" ".....	60	1 74	No. 5, 9-30-14	431
1	" 24.....	Philadelphia.....		1 "	57 00	" ".....	127	2 77	No. 5, 9-30-14	431
								37 20		



## APPENDIX No. 1

Q. Can you say briefly, without going into all the details, what quantity of material came in altogether?—A. From that statement we had 14 auto trucks.

Q. Anything else?—A. That is all. Besides these, we had other shipments—I cannot tell you the contents—15 pieces addressed to R. Brutinel, who had charge of the Sifton Battery.

Q. These articles also belong to the Battery?—A. I understood so, I do not know positively.

Q. What did you say was the number of trucks?—A. Fourteen trucks.

Q. And what else?—A. There were fifteen pieces, I do not know the contents.

Q. What are the number of packages?—A. One package and the rest boxes.

Q. Is there anything else beside what you have in these two statements?—A. That is all I know anything of.

Q. What time of the year did those goods come in?—A. From September 4 up to and including September 30.

Q. And these goods you say came in in bond?—A. In bond.

Q. How were they released?—A. We had orders from the Customs House to deliver them to the Battery.

*By Mr. Kyte:*

Q. The Custom House, where?—A. At Ottawa.

*By Hon. Mr. Reid:*

Q. It was done in the usual way?—A. In the usual way in which all shipments are released.

*By Mr. Carvell:*

Q. Have you any note there as to the value of these fifteen packages?—A. As shown by the statement the value of nine of them is not given, there is nothing to show the value, but with respect to the balance you will observe the statement gives the value; I could not say as to the correctness of that value, of course, we take the value from the shipper; we cannot depend upon the value stated in the way bills.

Q. Is the value given as to the auto trucks?—A. Yes, the statement gives the value, as stated, as to the whole of each shipment.

*By the Chairman:*

Q. Do those statements show everything that passed through your office in connection with these shipments?—A. To my knowledge that is all we had.

*By Mr. Kyte:*

Q. That is in reference to the Sifton Battery only, it does not cover all the articles you handled?—A. Oh, no; we have had other shipments for the Militia Department, but I understood this evidence was merely in reference to the Sifton Battery, that is what it calls for in my summons.

*By Mr. Carvell:*

Q. Did any goods come through your corporation during these months addressed to J. Wesley Allison?—A. No, sir.

Q. Did any goods pass through your express company consigned by Colonel J. Wesley Allison?—A. Not to my knowledge.

Q. Do the statements which you have handed in show to whom the Sifton Battery cars were consigned?—A. Yes, they were consigned to the Auto Car Company, care of C. Sifton. I do not know about the munitions, of course they might have been included in the shipments consigned to Captain Brutinel.

MR. W. H. BROOKINS.

*By Mr. Kyte:*

Q. Do you remember any goods coming addressed to General Sir Sam Hughes?

—A. No, I do not know of any.

Q. You do not know of any importation from the Colt Arms people in Hartford?

—A. For whom?

Q. For the Militia Department or any officer of the Department?—A. No, sir, I do not know of any.

Q. That is you cannot remember any?—A. I do not remember any such shipments. We have had shipments from Hartford, but what the contents of the packages were I do not know; what we had from Hartford was what was addressed to Captain Brutinel, as shown on that statement; some of those shipments were from Hartford and some from Philadelphia.

Witness discharged.

Mr. A. G. HOPE, called, sworn and examined.

*By Mr. Carvell:*

Q. You are the agent of the New York and Ottawa Railway at Cornwall, are you?

—A. Yes.

Q. Have you any personal knowledge of what is known as the Sifton Battery coming across the river there?—A. No, I have not.

Q. Have you any records that would show it?—A. No.

Witness discharged.

Mr. W. H. BROOKINS recalled and further examined.

The CHAIRMAN: You have been sworn.

*By Mr. Kyte:*

Q. Since you gave your evidence here this morning, you have looked over your papers?—A. My own files, and I find that I had omitted one shipment.

Q. Would you please state what it is?—A. This shipment was consigned to Mr. Brutinel, and I understood that it was a personal shipment.

Q. Will you state what it is?—A. It is a small auto, a runabout.

Q. Shipped from where?—A. New York city.

*By Hon. Mr. Reid:*

Q. On what date?—A. September 17, and was consigned to Mr. Brutinel personally.

Q. What is the value?—A. \$355.75, a c.o.d. shipment. Here is a copy of the entry (producing).

Waybill.		From.		Articles.	Value.	To whom. Addressed.
No.	Date.	Office at	State of		C. O. D.	
94	Sept. 17	New York.	N.Y.	1 auto. Crated.	\$355.75	R. Brutinel.

MR. W. H. BROOKINS.

## APPENDIX No. 1

Street and number of Destination.	Weight.	Total collect.	Received By.
C/o Chateau Laurier.	1,172	30.87	No. 5, O. K. 9/16/14.

Witness discharged.

Mr. JOHN CLINE recalled and further examined.

*By Mr. Kyte:*

Q. Have you looked over your record of goods coming in in bond for the Sifton Battery?—A. I cannot tell you whether it is the Sifton Battery or not. I have the goods for the Auto Car Co., Ottawa.

Q. Did you see the statement made by the American Express agent this morning?—A. You showed it to me, sir.

Q. Does it agree with your records?—A. It agrees excepting one shipment, dated September 15. Our manifest does not show the value of the goods while Mr. Brookins' statement calls for the value. Our manifest does not call for the value.

Q. Mr. Brookins' statement fixes the value at—?—A. \$8,450.

Q. And in your statement the value is not set down?—A. Not by the express messenger.

Q. In all other respects the papers in your possession correspond with the statement made by the American Express agent?—A. Yes, with that statement there.

Witness discharged, leaving his documents in charge of the clerk of the committee for further use if required.

Committee adjourned.

Hon. Mr. REID: There is one matter, Mr. Chairman, I want to mention here this morning. On page 57-22 appears the name of Mr. G. A. Payne, of Cardinal; the village of Cardinal is in my constituency and Mr. G. A. Payne, who is a business man in that village, is very indignant at his name appearing in this report as having been paid the sum of \$1,932.96 for lumber and hardware, etc. Mr. Payne objects to this item appearing there on the ground that he never received any such amount from the Government. In reply to inquiries made from the Auditor General's office, Mr. Stockton states that Mr. G. A. Payne of Cardinal did some work, and furnished some supplies to the extent, as far as my memory goes, of about \$31 and some odd cents. There is another man named G. A. Payne at Kingston who supplied the other material going to make up this amount of \$1,932, and I am informed that it was a mistake in the Auditor General's Department in preparing the report in putting the material supplied by the Kingston man under the heading of Mr. Payne of Cardinal. Therefore in the way in which it is shown in the report it is an injustice to Mr. Payne of Cardinal which he wishes to have explained.

Mr. CARVELL: Before the committee adjourns I wonder if the Hon. Minister (Hon. Mr. Reid) can give us any tidings as to the whereabouts of one Colonel J. Wesley Allison? We have been trying to get him here for a long time, and I thought it possible that the Minister could give us some information as to his whereabouts or that he could get him here.

Hon. Mr. REID: As far as I am concerned I do not know where he is to be found, I have not heard anyone say where he is, but it seems to me it is up to the committee to get him here, and if there is any way of getting him here I would be glad to see

Mr. W. H. BROOKINS.

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him brought before this committee. I am not sure what we can do to secure his attendance; I remember the experience we had once before in trying to secure the attendance of a witness.

Mr. KYTE: And you got him?

Hon. Mr. REID: No, we had the advice of yourself and Mr. Carvell, two good lawyers, that we could not bring him.

Mr. KYTE: What witness was that?

Hon. Mr. REID: Mr. J. Orr Lewis, we tried all the session to get him, he was on British territory, outside Canada, but there was no way in which we could get at him. Mr. Carvell argued then that we could not get that witness, that this committee had no power to go outside of Canada to compel a witness to attend.

Mr. CARVELL: I have forgotten the transaction anyway.

Hon. Mr. REID: I knew you would forget that, but I am only giving you one instance, and I could give you several more if I took the time to look it up, where Mr. Carvell, and I think Mr. Kyte as well, argued that this committee had no power to go outside of Canada to compel the attendance of a witness here. Now, if you have any power to place at our disposal, or if there is any power under heaven, whereby we can get J. Wesley Allison here, I am prepared to co-operate with you in bringing that about.

Mr. KYTE: Lewis was not an employee of the Government at all. He was a witness here in connection with some transaction he had with the Government. That is the distinction between Lewis and J. Wesley Allison, the latter is declared to have been representing the Militia Department and to have saved it a large sum of money.

Hon. Mr. REID: We will get Allison if there is any power which will enable us to do so. But Messrs. Carvell and Kyte are good lawyers and their opinion at that time was that the Government could not go outside of Canada to compel the attendance of a witness.

Mr. KYTE: Can't you compel the attendance of one of your employees?

Hon. Mr. REID: He is not an employee and never was.

Mr. KYTE: Very well, read the speech of the Minister of Militia on the subject.

Hon. Mr. REID: I do not think the Minister said anything of the kind. However, it does not make any difference, I am only taking the precedent established by my honourable friends.

Mr. CARVELL: Surely you can get a better precedent than that.

Hon. Mr. REID: If you can show me any means whereby we can compel the attendance of a person outside of Canada we will gladly avail ourselves of it.

The CHAIRMAN: There is no doubt this committee has no jurisdiction outside of Canada, we all know that. We cannot do anything of the kind and we are certainly not going to get down on our knees and beg the man to come back.

Committee adjourned.



## APPENDIX No. 1

## HOUSE OF COMMONS,

COMMITTEE ROOM No. 301,

FRIDAY, March 24, 1916.

The Select Standing Committee on Public Accounts met at eleven o'clock a.m., the Chairman, Mr. Middlebro, presiding.

The committee proceeded to the consideration of certain payments for Colts and Lewis machine guns and the receipt of certain contributions for the purchase of the same; \$1,003.25 to Ottawa and New York Railway Company.

Mr. T. C. BOVILLE, called, sworn, and examined.

*By Mr. Kyte:—*

Q. Are you the Deputy Minister of Finance?—A. Yes.

Q. Have you any record of the contributions made throughout Canada towards the purchase of machine guns?—A. Yes.

Q. Will you please produce it?—A. This is the ledger (producing document). I have not had time to copy it so I brought the account in the ledger; this is the ledger account. I only received notice yesterday to attend here today.

Q. When did the first contribution come in, in point of time?—A. About June 9, 1915, about that date.

Q. Where did that contribution come from?—A. It is a cheque received from Dr. Otto L. Schofield.

Q. Where does he reside?—A. Private Hospital "The Oaks," Newtonville, Massachusetts.

Q. And what was the amount?—A. \$25.

Q. I suppose the list is a pretty long one?—A. Yes, it covers about twenty-two pages of the ledger.

Q. I would like to get this list on the Minutes; I suppose you could, if you were given time, have a copy of it prepared?—A. Quite easily.

Q. Will you have a copy made and handed in to the reporter later on?—A. I will.

Q. Will you please take the various sections of the Dominion of Canada and state whether they all, or how many of them, contributed?—A. I would have to search over the whole twenty-two pages to do that.

The CHAIRMAN: When you get a copy of the list that will give the information you are asking for.

*By Mr. Kyte:—*

Q. I would like to get a statement, if I could, in order to get it down on the the record.—A. I would have to search over the twenty-two pages in order to give you that information.

Q. Take, for instance now, the province of Ontario——

The CHAIRMAN: You mean as to contributions by the Government of the province?

Mr. KYTE: Yes.

A. There is an entry "September 11, by cash, province of Ontario, contribution to machine guns, \$125,000."

Q. That is September 11, 1915?—A. Yes.

Mr. T. C. BOVILLE.

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Q. Would you happen to know, Mr. Boville, if the Government of Ontario contributed any machine guns?—A. I would not know anything about that.

Q. As far as you know that is the total contribution?—

The CHAIRMAN: He has not said that, he is looking over the ledger to see if there is anything further.

A. I am looking over the ledger. I think there is another item—I think there is \$375,000, which, if I recollect aright, has not been posted yet. It has been received, I think I am correct in making that statement, but it has not yet been posted.

Q. That would be \$500,000 altogether from Ontario? Would you be able to say, approximately, what date that was received?—A. I think it is March, probably at the beginning of this month.

Q. At the beginning of March, you think?—A. Probably.

Q. I do not wish to put you to the trouble of going over that list again if you will be good enough to have it copied and hand in the copy to the reporter?—A. Yes, I will have it copied, but it will take a little time. I can give you the total amount received, I think.

Q. But if you haven't it all posted that would not be accurate?—A. No it would be better to wait for the complete statement. I would like to say that I only received notice last night by telephone to attend here to-day, so I have not had time to look into the matter.

Witness retired.

In accordance with the instructions of the Committee the following statement was prepared and handled in by Mr. Boville.

### WAR SPECIAL ACCOUNT.

#### MACHINE GUN CONTRIBUTIONS.

1915.	\$	cts.
June 9—Dr. Otto L. Schofield, P. O. Address, Private Hosp. "The Oaks," Newtonville, Mass., U.S.A. . . . .	25	00
June 9—Huntly R. Drummond—contribution for the purpose of providing 125 maxim guns (more or less). These guns to be in addition to the ones supplied by the Militia Department. . . . .	100,000	00
July 7—Sir James Eaton—Contribution towards the equipment of a machine gun section. . . . .	100,000	00
July 7—A. R. Coffin—Contribution towards the purchase of a maxim machine gun. . . . .	475	00
September 11—Province of Ontario's contribution for machine guns. . . . .	125,000	00
September 22—Contributions received from Militia Department for Colt Machine guns in statement No. 13—as follows—Mr. and Mrs. E.C. Whitney, P. O. Box 553, Ottawa, Ont. . . . .	2,250	00
Lt.-Col. R. E. Birdsall, Birdsall, Ont. . . . .	750	00
Canadian General Electric Co., Limited, Peterborough Works, Peterborough, Ont. . . . .	750	00
C. H. B. Longworth—address care of Hon. J. Mathieson, Charlottetown, P.E.I. . . . .	750	00
C.P.R. Employees, Calgary, Alberta, per Calgary News-Telegram, Calgary, Alberta. . . . .	775	00
Alberta Government Telephones, Southern Div. Employees—per Calgary News-Telegram, Calgary, Alberta. . . . .	775	00
Citizens of Stanley—per Calgary News-Telegram, Alberta. . . . .	775	00
Commercial Travellers, Province of Alberta, per Calgary News-Telegram, Calgary, Alta. . . . .	775	00
Calgary Wholesale Grocers and Grocery Brokers—per Calgary News-Telegram, Calgary, Alberta. . . . .	800	00
Alberta Steam Laundry Co. of Calgary—per Calgary News-Telegram, Calgary, Alberta. . . . .	775	00
Canadian Western Natural Gas, Light, Heat and Power Co.—per Calgary News-Telegram Co. . . . .	800	00
Osborne, F. E.—112 Eight Avenue, West Calgary, Alberta. . . . .	775	00
Employees of Calgary Municipal Street Railway—per Calgary News-Telegram Co., Calgary. . . . .	775	00

Mr. T. C. BOVILLE.

## APPENDIX No. 1

1915.	\$	cts.
September 22—Burns, Pat.—per Calgary News-Telegram, Calgary, Alberta..	775	00
Carter, Samuel and Family—Guelph, Ont. . . . .	750	00
Ontario Bar Association. . . . .	872	03
Contributions on account of Lewis machine guns enclosed in Militia statement No. 13, as follows—		
Bell-Irving, H.—322 Richards street, Vancouver, B.C. . . . .	5,000	00
The Institute of the chartered Accountants of Ontario—care of Pontifex, Esq., President, Toronto. . . . .	1,000	00
The Citizens of Frank, Alberta, care of R. E. Donkin, Secy. of the Citizens Committee. . . . .	1,000	00
Ganong, G. W.—Chocolate Mfg's., St. Stephen, N.B. . . . .	1,000	00
Howitt, H.—Box 184—Guelph, Ont. . . . .	1,000	00
Jameson, Clarence, Digby, N.S. . . . .	750	00
Matthew and McLean, Ltd.—General Merchants, Souris East, P.E.I. . . . .	1,000	00
Norton, A. O., Merchant, Coaticook, Quebec. . . . .	1,000	00
Norton, Harry A.—Merchant, Ayers Cliffe, Que. . . . .	750	00
Peck, Kerr and McElderry, Barristers—Peterborough, Ont. . . . .	750	00
Poland, Rev. Fred W.—Clerk in Holy Orders—Ste. Agathe-des-Monts, Que. . . . .	10	00
Reed and Co., Moncton, N.B. . . . .	1,000	00
Schell Co. the J. T.—Bank and Office Fitters—Alexandria, Ont. . . . .	750	00
Taylor, Miss Kate, 110 Walmer Road, Toronto, Ont. . . . .	750	00
Taylor, Miss Lizzie, 110 Walmer Road, Toronto, Ont. . . . .	750	00
The Citizens of Truro, N.S., care of Fred S. Henderson, Truro, N.S.	1,000	00
Williamson, Miss Elsie, 525 Mt. Pleasant Ave., Westmount, Que. . . . .	1,000	00
Patterson, Mrs. C. E.—Woodstock, Ont. . . . .	750	00
The Hon. Mr. Justice F. Osler, 80 Crescent Road, Rosdale, Toronto, Ont. . . . .	1,000	00
Casement, W. H., Lakefield, Ont. . . . .	50	00
Dunn, Miss Mary E.—P. O. Box 340, Quebec, Que. . . . .	1,000	00
Patterson, John D., Woodstock, Ont. . . . .	1,500	00
Patterson, A. S., Melbourne, Australia. . . . .	500	00
Turner, Wm., Bank of Montreal, Sault Ste. Marie, Ont. . . . .	750	00
Furness Witby Co., Ltd., per Canadian Bank of Commerce, Halifax, N.S. . . . .	1,000	00
Nova Scotia Steel and Coal, Ltd., New Glasgow, N.S. . . . .	1,000	00
Brookfield, S. N., per Can. Bank of Commerce, Halifax, N.S. . . . .	750	00
Messrs. Wentzelle, Ltd., per Canadian Bank of Commerce, Halifax, N.S. . . . .	750	00
Uniacke, Mrs. Robie, per Can. Bank of Commerce, Halifax, N.S. . . . .	750	00
Laurie, Mrs. J. W., and Miss Laurie, per Can. Bank of Commerce, Oakfield, N.S. . . . .	1,000	00
Saskatchewan Pharmaceutical Association, c/o Robt. Martin, Esq., Registrar and Treasurer, Regina, Sask. . . . .	1,000	00
Sayre, F. W., per Mayor of St. John, St. John, N.B. . . . .	750	00
Allison, Jos., per Mayor of St. John. . . . .	1,000	00
Robertson, Jas. W., per Mayor of St. John, St. John, N.B. . . . .	1,000	00
Estabrooks, T. H. Co., Ltd., per Mayor of St. John. . . . .	1,000	00
Mayes, G. S., per Mayor of St. John. . . . .	1,000	00
Montizambert, Dr. Fred. and Mrs., Woodside Cottage, Cacouna, P.Q. . . . .	500	00
Walker, Miss Helen F., c/o Dr. Fred. Montizambert, Woodside Cottage, Cacouna. . . . .	500	00
Bank of Nova Scotia, Halifax, N.S. . . . .	2,000	00
Prince Albert Lodge No. 26, I.O.O.F. Fraternal Society, c/o H. N. McKenzie, Esq., Moncton, N.B. . . . .	1,000	00
Weddell, R., c/o R. Weddell and Co., Contractors, Trenton, Ont.	1,000	00
Lawrence, Geo., 38/44 Denison Ave., Toronto, Ont., "Bread Maker" . . . . .	1,000	00
Mountain Lumber Mfg. Assoc., c/o Editor "Calgary News and Telegram," Calgary, Alberta. . . . .	5,000	00
Irving, Mrs. Justice and Miss Finlayson, per Can. Bk. of Commerce, Victoria, B.C. . . . .	1,000	00
Abbotsford-Sumas-Matsque, c/o Wm. Taylor, Secy. to Comm., Box 11, Abbotsford, B.C. . . . .	1,000	00
Rhodes Curry Co., Ltd., Officials and Employees, Amherst, N.S., Contractors and Manufacturers. . . . .	1,000	00
Acadia Fire Insurance Co., Halifax, N.S. . . . .	1,000	00
Tobin, Wallace, Thomson, and Thomson, Halifax, N.S. . . . .	1,000	00
Sare, R. G. and Mrs., Manager Merchants Bank of Canada, Halifax, N.S. . . . .	1,000	00
Dominion Molasses Co., Ltd., Importers and Dealers, Halifax..	1,000	00
Decker, Beaumont, Lighthouse Keeper Gull Rock Lighthouse, Lockport, N.S. . . . .	5	00

Mr. T. C. BOVILLE.

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1915.

	\$	cts.
September 22—Milltown, Town Council, Milltown, N.B. . . . .	1,000	00
Starr, F. G., St. John, N.B. . . . .	1,000	00
Ross, L. R., I.C.R., St. John, N.B. . . . .	1,000	00
Mackay, W. Malcolm, St. John, N.B. . . . .	1,000	00
Estabrook, W. G., Market St., St. John, N.B. . . . .	500	00
Tilton, J. A., St. John, N.B. . . . .	250	00
Gregory, J. S., St. John, N.B. . . . .	100	00
Brodie, Wm., St. John, N.B. . . . .	100	00
Kimball, J. H., 46 Carleton st., St. John, N.B. . . . .	500	00
Kimball, G. A., 46 Carleton st., St. John, N.B. . . . .	500	00
McDonald, Chas., St. John Iron Works, St. John, N.B. . . . .	500	00
Clark, D. C., 341 Charlotte St. W., St. John. . . . .	375	00
Dickinson, Chas. W., Landsdowne House, St. John, N.B. . . . .	100	00
McLeod, Chief Justice, Princess Street, St. John, N.B. . . . .	50	00
Moore and Company, John E., St. John, N.B. . . . .	750	00
Goodwin, E. A., Germain St., St. John, N.B. . . . .	500	00
Dawson, David C., Western Union Telegraph Company, St. John, N.B. . . . .	400	00
Willcox, Mrs. Howard, Westfield, N.B. . . . .	750	00
Fairweather, Frank R., and others, Sun Insurance Office, St. John, N.B. . . . .	762	00
Annapolis Royal Citizens of, per Mayor A. Robinson, Annapolis Royal, N.S. . . . .	750	00
Vancouver Bar Association, c/o E. A. Lucas, Rooms 409 to 414 Byers Bldg., Vancouver, B.C. . . . .	2,000	00
Employees of the Montreal Locomotive Works, Montreal, P.Q. . . . .	1,000	00
Royal Cape Breton Yacht Club, Sydney, N.S. . . . .	1,000	00
Royal Mail Service, Halifax, N.S. . . . .	1,000	00
Emerson and Fisher, St. John, N.B. . . . .	750	00
De Mille, F. E., St. John, N.B. . . . .	25	00
Hanford, Eliza Y., c/o Mayor's Office, St. John, N.B. . . . .	10	00
Rising, E. L., St. John, N.B. . . . .	500	00
Salvage Corps No. 1, St. John, N.B. . . . .	25	00
Edward Partington Pulp and Paper Co., St. John, N.B. . . . .	1,000	00
Thomson, Percy W., St. John, N.B. . . . .	500	00
St. John Caulkers Association, St. John. . . . .	50	00
Rowan, Miss Jean, St. John, N.B. . . . .	25	00
Cash-bar, John, c/o Mayor's Office, St. John, N.B. . . . .	25	00
Olford, Fred., St. John, N.B. . . . .	2	00
Leck, Mrs. E. V., St. John, N.B. . . . .	3	00
Cash—Per James H. Frick, Mayor of St. John. . . . .	1	00
Citizens of Fredericton, per Canadian Club, Fredericton, N.B. . . . .	5,000	00
Fredericton—Society of St. Andrews, c/o R. W. McLellan, vice- president, Fredericton, N.B. . . . .	1,000	00
Hutchison, E., Douglastown, N.B. . . . .	1,000	00
Employees of McLachlin Brothers, Ltd., Arnprior, Ont. . . . .	2,000	00
Officers and clerical staff of Intercolonial Railway, Moncton, N.B. . . . .	1,000	00
Citizens of Kindersley and district, Kindersley, Sask. . . . .	1,000	00
Town and Citizens of St. Andrews, St. Andrews, N.B. . . . .	3,000	00
Geo. S. and Mrs. Campbell and Chas. and Mrs. Archibald, Halifax, N.S. . . . .	1,000	00
Windsor and Hants County Gun Committee, c/o G. M. Fielding. . . . .	2,000	00
Citizens of Summerside, Summerside, P.E.I. . . . .	1,000	00
Citizens of Joggins Mines, c/o F. G. Stevens, Treasurer Machine Gun Fund, Joggins Mines, N.S. . . . .	2,000	00
Citizens of City of Armstrong and the Spalluncheon, c/o Mayor J. M. Wright, Armstrong, B.C. . . . .	2,000	00
Citizens of Colchester County, c/o Fred. S. Henderson, Truro, N.S. . . . .	1,000	00
Citizens of Eastern Townships, c/o Sherbrooke Daily Record, Sherbrooke, P.Q. . . . .	1,000	00
Austin, A. W., 620 Confederation Life Building, Toronto, Ont. . . . .	1,000	00
Citizens of Moncton, c/o Tingley, Chairman Gun Comm., Moncton, N.B. . . . .	2,000	00
Drewry, George, wine merchant, Kenora, Ont. . . . .	2,000	00
The Hon. Senator D. McKeen, Halifax, N.S. . . . .	1,000	00
Employees of the Getty Scott, Limited, Galt, Ont. . . . .	1,000	00
Citizens of Whitewood and vicinity, c/o Mayor Lamont, White- wood, Sask. . . . .	1,000	00
Moncton City Council, c/o J. S. Magee, City Clerk and Treasurer, Moncton, N.B. . . . .	1,000	00
Fraser, Mr. and Mrs. Graham, New Glasgow, N.S. . . . .	1,000	00
Citizens of Prince Rupert, c/o L. M. de Gex, Canadian Bank of Commerce, Prince Rupert, B.C. . . . .	1,000	00
Atkinson, Mrs. Henry, Etchemin, P.Q. . . . .	1,000	00
Fernie, W., c/o the <i>Daily Colonist</i> , Victoria, B.C. . . . .	1,000	00
Pemberton, Mrs. J. B., c/o the <i>Daily Colonist</i> , Victoria, B.C. . . . .	1,000	00

Mr. T. C. BOVILLE.



## APPENDIX No. 1

1915.	\$	cts.
September 22—Lemon Gonnason Co., Ltd., c/o the <i>Daily Colonist</i> , Victoria, B.C.	1,000	00
Parpitt Brothers, c/o <i>Daily Colonist</i> , Victoria, B.C.	1,000	00
Bishop, C. R., and Mrs., and J. A., and Worthington, W. P., c/o <i>Daily Colonist</i> , Victoria, B.C.	1,000	00
Parnell, H., c/o <i>Daily Colonist</i> , Victoria, B.C.	750	00
Citizens of Victoria, the <i>Daily Colonist</i> , c/o J. L. Tait, manager, the <i>Daily Colonist</i> , Victoria, B.C.	2,692	00
Staff and Audit Office of the Dominion Coal Company, Ltd., c/o R. Gordon, Esq., controller, Glace Bay, N.S.	1,368	75
Citizens of Blind River, c/o W. G. White, the Gazette, Blind River, Ont.	1,000	00
Bench and Bar of Prince Edward Island, c/o W. W. Sullivan, Charlottetown, P.E.I.	1,000	00
Employees of the Canadian Fish and Cold Storage Company, Limited, Prince Rupert, B.C.	1,000	00
Robin, Jones and Whitman, Limited, Halifax, N.S.	1,000	00
Newcastle Board of Trade, Newcastle, N.B.	1,000	00
Black, H. S., 111 Broadway, New York.	1,000	00
Dickie, Alfred, Halifax, N.S.	750	00
Citizens of Shubenacadie, c/o W. D. Bowers, Esq., Treasurer, Committee, Shubenacadie, N.S.	1,000	00
Murphy, J. and M., Limited, Halifax, N.S.	1,000	00
McManus Company, John W. c/o Wm. Chandler, Esq., Moncton, N.B.	1,000	00
The Order of Elks, St. John, N.B., per Mayor Frink	1,000	00
Fenton, W. I., St. John, N.B., per Mayor Frink	100	00
Leonard, W. F., St. John, N.B., per Mayor Frink	100	00
Mirey, Benj., 163 Queen street, St. John, N.B., per Mayor Frink	2	00
Baxter, Alfred, 197 Waterloo street, St. John, N.B. per Mayor Frink	1	00
Pile, Thomas, c/o Mayor's Office, St. John, N.B., per Mayor Frink	5	00
Boyer, Rev. H. R., St. John, N.B., per Mayor Frink	1	00
Villagers of Victoria Harbour, Victoria Harbour, Ontario, per Gerome Duckworth	1,000	00
Employees of John Bertram and Sons Company, Limited, and Pratt and Whiteney Company, Dundas Ont.	10,000	00
Arnprior Business Men and Citizens, c/o MacB. Dodd, Box 305, Arnprior, Ont.	1,000	00
Citizens of Yarmouth, c/o Mayor, Yarmouth, N.S.	2,000	00
Citizens of Preston, c/o Alfred Clare, Esq., Preston, Ontario.	1,000	00
Citizens of Bathurst, c/o J. W. Michaud, Esq., Bathurst, N.B.	1,000	00
Staff of the Merchants Bank of Canada, c/o T. E. Merritt, Esq., Montreal, P.Q.	1,000	00
Montreal Stock Yards Company, Limited, c/o Lt.-Col. Peers Davidson, Montreal, P.Q.	1,000	00
Citizens of Glencoe, c/o Glencoe Patriotic Association, Glencoe, Ontario.	1,000	00
The Honourable Justice and Mrs. J. V. Teetzell, Glencoe Lodge, Vancouver, B.C.	2,000	00
Montreal Caledonia Curling Club, 101 Burnside Place, W. S. Wilson, Esq., secretary, Montreal.	1,000	00
Citizens of Amherst, c/o treasurer Bank of Montreal, Amherst N.S.	1,000	00
Citizens of Ormstown, c/o N. H. Slack, Esq., Ormstown, P.Q.	2,000	00
Clover Leaf League of Victoria, B.C., c/o E. Croft, Honourable secretary, 1636 Quadra street, Victoria, B.C.	628	00
Villagers of Mond, Coniston (Nickel Co. Ltd.), Coniston, Ont.	1,000	00
Residents of Creighton Mine, c/o J. M. Regan, Creighton Mine, Ont.	1,000	00
Residents of Copper Cliff, c/o J. W. Garrow Copper Cliff, Ont.	1,000	00
Villagers of Worthington and Mond, c/o Mond Nickel Company, Limited, Mond, Ont.	1,000	00
Residents of Sudbury, c/o Mrs. Howey, Sudbury, Ont.	1,000	00
Chambers, W. C.—M. L. A. and Mrs. Meiklejohn, Harriston, Ont.	1,000	00
Employees of Dominion Express Company (Pacific Division), c/o Gep. Parker, Agent, Ottawa, Ont.	1,000	00
Citizens of Hantsport, c/o D. E. North, Esq., Hantsport, N.S.	1,000	00
Residents of East Flambro township, c/o L. J. Mullock, Esq., Wakedown, Ont.	1,000	00
Laurentian Club, c/o W. T. Cluff-Quinn, secretary-treasurer, Ottawa, Ont.	1,000	00
Residents of Richmond, Melbourne and Cleveland, c/o Jno. Hayes, Esq., President Richmond Patriotic Fund, Richmond, P.Q.	1,000	00
Citizens of Inwood, c/o W. R. Dawson, Esq., Inwood, Ont.	1,000	00
Heney Carriage and Harness Co., Limited, Montreal, P.Q.	1,000	00

6-7 GEORGE V, A. 1916

1915.

	\$	cts.
September 22—L. McBrine Co., Ltd., Berlin, Ontario. . . . .	1,000	00
Women of Fredericton, c/o Mrs. W. H. Whitehead, Beaugard, Fredericton, N.B. . . . .	1,000	00
Employees of the Minndie Coal Co., River Hebert, N.S. . . . .	1,000	00
Ratepayers of Yarmouth Municipality, Yarmouth, N.S. . . . .	1,000	00
Residents of Stewiack, Stewiack, N.S. . . . .	1,000	00
Town of Lockport, N.S. . . . .	1,000	00
Citizens of Pictou, Pictou, N.S. . . . .	3,000	00
Citizens of Baddeck, Baddeck, N.S. . . . .	1,000	00
Citizens of Rothern and district, Rothern, Sask. . . . .	1,000	00
County of Wentworth, c/o J. Douglas, Esq., Warden, County Clerks, Hamilton. . . . .	11,000	00
Residents of Bedford, c/o Miss N. M. Nesbitt, Daughters of the Empire, Cowansville, P.Q. . . . .	1,000	00
Citizens of Souris, c/o Jno. Nichols, Esq., Souris, P.E.I. . . . .	1,000	00
Citizens of Knowlton, c/o Ernest M. Taylor, secretary Machine Gun Fund, Knowlton, P.Q. . . . .	1,000	00
Citizens of Silverton, town and mines, Silverton, B.C. . . . .	1,000	00
Lyman, Walter E. and Clarence A., 99 James st., Montreal, P.Q. . . . .	1,000	00
Citizens of Hazelton and vicinity, Hazelton, B.C. . . . .	1,000	00
Regent Quinte Chapter, I.O.D.E., Belleville, Ont. . . . .	1,000	00
Roger, Miller and Co., Ltd., Shediac, N.B. . . . .	1,000	00
Retail Merchants Association of Charlottetown, Charlottetown, P.E.I. . . . .	2,000	00
I. C. Railway, Employees—Moncton, N.B. . . . .	1,000	00
Employees of the Printing Bureau and Stationery Dept., c/o King's Printer, Ottawa, Ont. . . . .	1,000	00
Citizens of Edmonton, c/o F. T. Fisher, Board of Trade, Edmonton, Alberta. . . . .	1,000	00
Beaconsfield Golf Club, Montreal. . . . .	4,000	00
N. Evans, Limited, Dartmouth, N.S. . . . .	1,000	00
Harris, Hon. James and Mrs., c/o <i>Halifax Herald</i> , Halifax, N.S. . . . .	1,000	00
People of Tatamagouche, c/o <i>Halifax Herald</i> , Halifax, N.S. . . . .	1,000	00
People of Dartmouth, c/o <i>Halifax Herald</i> , Halifax, N.S. . . . .	1,000	00
Subscribers of <i>Halifax Herald</i> , Halifax, N.S. . . . .	1,000	00
McLellan, Francis and Mrs., Lynn Stuart, Indian Laurette, P.Q. . . . .	1,000	00
Ross, Lt.-Col. Jas. G. and others, 142 Notre Dame st., W., Montreal, P.Q. . . . .	2,000	00
District No. 10, Cumberland County, N.S., c/o W. O. Kierstrad, Sec'y. Machine Gun Committee, Advocate, N.S. . . . .	1,000	00
Churchill Estate, Lt.-Col. Geo. W., Walton, N.S. . . . .	1,000	00
Citizens of Rossland, c/o Ernest Levy, Rossland, B.C. . . . .	1,000	00
St. Catharines Bar Association, St. Catharines, Ont. . . . .	900	00
Parish of Blissfield, c/o Wm. Whyte, Esq., Fredericton, N.B. . . . .	1,000	00
Citizens of Atlin, c/o A. B. Taylor, Esq., Sec'y. Atlin Disct. Board of Trade, Atlin, B.C. . . . .	1,000	00
Citizens of Lennoxville, c/o L. G. T. Lynch, Esq., Lennoxville, P.Q. . . . .	1,000	00
Pearson, Miss Mary E. and Mrs., Merrickville, Ont. . . . .	2,000	00
Odd Fellows of Lunenburg County, c/o S. A. Chesley, Esq., Lunenburg, N.S. . . . .	1,000	00
Citizens of Springhill, c/o H. J. Hunter, Springhill, N.S. . . . .	1,000	00
City of McAdam, c/o J. W. Hoyt, Esq., McAdam, N.B. . . . .	1,000	00
Citizens of Chatham, c/o Mayor C. P. Hickey, Chatham, N.B. . . . .	2,000	00
Citizens of Marysville, c/o Jos. Dolphin, Esq., Marysville, N.B. . . . .	1,000	00
Citizens of East Angus, c/o Mrs. F. M. Riddle, Sec'y.-Treas. East Angus Patriotic Society, East Angus, P.Q. . . . .	1,000	00
Citizens of Campbellton, c/o Mayor, A. A. Andrew, Campbellton, N.B. . . . .	1,000	00
Business Men of Brockville, c/o Wm. Shear, Esq., Sec'y.-Treas. Brockville Board of Trade, Brockville, Ont. . . . .	2,000	00
Residents of Queens County, c/o A. R. Slipp, Esq., Fredericton, N.B. . . . .	3,000	00
Laurentian Chapter, I.O.D.E., c/o Lady Borden, Hon.-Treas., Glenmere, Ottawa, Ont. . . . .	1,000	00
Railway Mail Service, Winnipeg, c/o B. M. Armstrong, Esq., Controller, R. M. S., Ottawa, Ont. . . . .	780	10
Railway Mail Service, Toronto, c/o B. M. Armstrong, Esq., Controller, R. M. S., Ottawa, Ont. . . . .	780	10
Oneida Township, Haldimand County, c/o D. M. Gibson, Esq., Caledonia, Ont. . . . .	3,000	00
Municipality of Albert, c/o C. L. Peck, Esq., Hopewell Cape, N.B. . . . .	3,000	00
Town of Aylmer, c/o D. C. Davis, Esq., Aylmer, Ont. . . . .	2,000	00
Cavendish Presby. Congregation, c/o A. W. Hyndman, Esq., Mgr. Royal Bank of Canada, Charlottetown. . . . .	1,000	00
Parish of Manners Sutton, c/o B. H. Dougan, Esq., Harvey Station, N.B. . . . .	1,000	00

Mr. T. C. BOVILLE.

## APPENDIX No. 1

1915.		\$	cts.
September	22—Citizens of Alberton, c/o Mayor Jno. Agnew, Alberton, P.E.I. . . .	1,000	00
	Employees of Can. Pac. Railway, Moosejaw, c/o J. G. Taylor, Esq., Genl. Supt., Moosejaw, Sask. . . . .	3,000	00
	People of Gairlock Cong. c/o D. J. McLeod, Esq., Lansdowne, N.S. . . . .	1,000	00
	Employees of Metal Drawing Co., Ltd., St. Catharines, Ont. . . . .	875	00
	Citizens of Nanaimo, c/o Mayor Planta, Nanaimo, B.C. . . . .	1,000	00
	Residents of Passmore, Kings County, N.B., c/o Mayor Frink, St. John, N.B. . . . .	58	25
	Empire Building Machine Gun Club, 421 Empire Building, Toronto, Ont. . . . .	1,035	00
	Residents of Forest, c/o J. G. Hubbard, Esq., Forest, Ont. . . . .	1,000	00
	Somers, G. N., Silver Falls, St. John, N.B., per Mayor Frink. . . . .	25	00
September	25—Contributions for Colt Machine Guns credited to War as refunds of expenditure in Militia Statements No. 53 and 63 during 1914-15. Judges of Supreme Court of Ontario, Deposit Receipt No. 992, Bank of Montreal, Toronto. . . . .	860	00
September	25—Benches of Law, Upper Canada, Deposit Receipt No. 1176, on Bk. of Montreal, Toronto. . . . .	748	00
	J. G. Fraser, 74 Nepean st., Ottawa, Deposit Receipt No. 1368 on Bank of Commerce, Ottawa. . . . .	1,496	00
	Mrs. Beatrice B. Fraser, 74 Nepean st., Ottawa, Deposit Receipt on Bank of Ottawa, Ottawa. . . . .	748	00
October	23—Contributions for Colt Machine Guns as per Statement No. 29, Militia Depart. as follows:—		
	Waddell, Mrs. M. and Mr. M. R. N., per Mayor F. Medd, c/o The Peterborough Club, Peterborough. . . . .	750	00
	Smye, F. T., McIlroy, C. H., and Mr. McLaren, c/o Balfour Smye and Co., Hamilton, Ont. . . . .	3,000	00
	Officers, N.C.O.'s and men of St. Lawrence Canals Patrol, per Lt.-Col. A. G. F. Macdonald, O.C., Morrisburg, Ont. . . . .	750	00
	Allison, Col. J. W., Hotel Manhattan, New York City. . . . .	750	00
	Munro, Hugh, c/o The Munro and McIntosh Carriage Co., Ltd., Alexandria, Ont. . . . .	750	00
	Citizens of Alexander, per D. A. Macdonald. . . . .	750	00
	Citizens of Greenwood and district, per E. Dewuey, Sec.-Treas. M.G.F., Greenwood, B.C. . . . .	1,300	00
	Citizens of Windsor, per "The Evening Record," Windsor, Ont. . . . .	780	00
	Contributions for Lewis Machine Guns as per Statement No. 29, Militia—		
	The Maple Leaf Milling Co., Ltd., c/o H. Shaw, Esq., Toronto, Ont. . . . .	1,000	00
	Shaw, Hedley, credit to Salmon Arm, B.C., Toronto. . . . .	1,000	00
	Citizens of Amherst Island, Ont., per Lt.-Col. H. J. Dawson, O.C. 59th Battalion. . . . .	1,000	00
	104th Regiment, "F" Company, per Lieutenant N. S. Longheed, Pt. Haney, B.C. . . . .	1,000	00
	People of P.E.I., per A. W. Hyndman, Treas. M.G.F., The Royal Bank of Canada. . . . .	5,000	00
	Parish of Derby, Northumberland Co., N.B., per Rev. H. Tully, Montgonery, Millertown, N.B. . . . .	1,000	00
	Citizens of Paris, collected by Prince of Wales, Chapter I.O.D.E., per Mrs. L. A. La Pierre, Paris, Ont. . . . .	1,000	00
	Ladies of Woodlands, Que., per Mrs. Jno. Ogilvy, Woodlands, P.Q. . . . .	1,000	00
	The Hon. Richard Turner, per Lt.-Col. Peers, Quebec. . . . .	1,000	00
	Friends of 73rd Battalion, per Lt.-Col. Peers, Montreal, P.Q. . . . .	1,000	00
	Neepawa Chapter I.O.D.E., per Mrs. E. E. Norman, Hon. Secy., Neepawa, Man. . . . .	1,000	00
	Officers and Employees of Helen and Magpie Mines, per Mayor J. A. McPhail, Sault Ste. Marie, Ont. . . . .	1,000	00
	Officers and Employees of Algoma Steel Corp., per Mayor J. A. McPhail, Sault Ste. Marie, Ont. . . . .	1,000	00
	Corporation of Sault Ste. Marie, per Mayor J. A. McPhail, Sault Ste. Marie, Ont. . . . .	1,000	00
	Barber, H. J., Chilliwach, per Bank of Montreal, Ottawa. . . . .	1,000	00
	Citizens of St. Thomas, per Lt.-Col. W. J. Green, St. Thomas, Ont. . . . .	1,350	00
	People of Cochrane and district, per T. C. Patterson, Mgr. Union Bank of Canada, Cochrane, Alberta. . . . .	1,000	00
	Citizens of Windsor, per "The Evening Record," Windsor, Ont. . . . .	1,000	00
	Officers and Employees of Ontario Agricultural College, Faculty, per G. C. Coleman, President, Guelph, Ont. . . . .	2,540	00
	Drummond, G. E., per Bank of Montreal, Montreal. . . . .	1,000	00
	Hodgson, Mary L., per Bank of Montreal, Montreal. . . . .	500	00
	Reford, Jean, per Bank of Montreal, Montreal, P.Q. . . . .	500	00
	Peters, Chas. R., c/o Mayor Frink, St. John, N.B. . . . .	10	00
	Ferry Employees, c/o Mayor Frink, St. John, N.B. . . . .	46	00



6-7 GEORGE V, A. 1916

		\$	cts.
1915.			
October	23—Men of City Wharves, c/o Mayor Frink, St. John, N.B. . . . .	49	50
	Vail, Jos. W., 159 Prince St. W., St. John. . . . .	7	00
	Vancouver, B.C., per C. N. Marpole, Chateau Laurier, Ottawa, Ont. . . . .	36,000	00
	Thoburn, Wm., M.P., Almonte, Ont. . . . .	1,000	00
	Citizens of Gore Bay, per W. F. Chisholm, treasurer, M.G.F., Gore Bay, Ont. . . . .	1,000	00
	Municipal Chapter, I.O.D.E., c/o Mrs. C. Y. Campbell, 327 Queens ave., London, Ont. . . . .	1,000	00
	St. Columbia Presbyterian Church, per Jno. A. Gray, Hopewell, N.S. . . . .	1,000	00
	Citizens of Delhi, per W. L. Sutherland, Bank of Hamilton, Delhi, Ont. . . . .	1,000	00
	Citizens of Queens County, N.S., per J. A. Irving, treasurer, M.G.F., Liverpool, N.S. . . . .	1,000	00
	Alice and Fraser Townships, per Wm. H. O'Mera, R.R. No. 7, Pembroke, Ont. . . . .	1,000	00
	Port Morien Church of England C.B., per Rev. F. Walker, The Rectory, Port Morien. . . . .	50	00
	Citizens of Hants County, N.S., per P. M. Fielding, secretary, N.G.F., c/o Immigration Branch, Interior, Windsor, Ont. . . .	1,000	00
	The Corporation of the Town of Montreal South, per M. M. Con- don, town clerk, Montreal South, P.Q. . . . .	1,000	00
	Town of Smith's Falls, per J. A. Lewis, town clerk, Smith's Falls, Ont. . . . .	1,000	00
	Corp. of the city of Berlin, per A. H. Miller, city clerk, Berlin, Ont. Cogswell, Dr. J. G.—per F. R. James, 23 Scott street, Toronto, Ont.	25	00
	Employees of Grant Smith and Co., and McDonell, Limited,—per the Daily Colonist, Victoria, B.C. . . . .	1,021	50
	Residents of the district of Cowichan, Vancouver Island—per A. W. Hanham, Mgr. Bank of B. N. A., Duncan, B.C. . . . .	1,685	75
	Citizens of St. Catherines—per H. G. W. Conolly, Treas. M.G.F., care of Bank of Commerce, St. Catherines. . . . .	4,000	00
	Wholesale Grocers of London—per M. Masuret Co., London, Ont. .	1,000	20
	Citizens of Sackville—per C. W. Fawcett, c/o Charles Fawcett Co., Ltd., Sackville, N.B. . . . .	1,000	00
	Citizens of St. Andrew, East—per W. Geo. Rodger, Secy. M.G.F. St. Andrews, E. Quebec. . . . .	1,000	00
	Citizens of Jarvis—per Chas. G. Allan Jarvis, Ont. . . . .	1,000	00
	People of Ashcroft and Cashe Creek—per C. A. Semlin, Dominion Ranch, Cashe Creek, B.C. . . . .	1,000	00
	Orillia Birthday Fund, in connection with the Champlain Tercen- tenary Committee—per C. H. Hale, Orillia, Ont. . . . .	7,000	00
	Citizens of Lillooet—per Wm. Adams, Chairman Lillooet, M.G.F. Lillooet, B.C. . . . .	1,000	00
	People of Princeton—per P. W. Gregory, Secy. M.G.F. Princeton, B.C. . . . .	1,000	00
	People of Hampton Village, Kings County—per Mayor Frink, St. John, N.B. . . . .	50	00
	Directors of Nova Scotia Steel and Coal Co.—per Col. T. Cantley, President, New Glasgow, N.S. . . . .	4,000	00
	Staff Officers and Clerks of Nova Scotia Steel and Coal Company, Sydney Mines—per Col. T. Cantley, President New Glasgow, N.S. . . . .	1,000	00
	Employees of the P. E. Island Railway—per W. I. Hoggan, Treasurer M.G.F., Charlottetown, P.E.I. . . . .	1,000	00
	Presby, families of Marlow Station, Quebec—per Rev. J. S. Stewart R.M.D. No. 1, Liviere, P.Q. . . . .	19	00
	Citizens of Westport—per H. W. Lockwood, Westport, Ont. . . .	1,000	00
	Citizens of Regina, Sask.—per the "Evening Province" and "Standard," Regina, Sask. . . . .	1,000	00
	Citizens of Medicine Hat—per J. B. Kenrick, Box 639, Medicine Hat. . . . .	1,600	00
	Citizens of Golden, B.C.—per G. Schiller Hindt, care of Commercial and Tourist Hotel, Golden, B.C. . . . .	854	80
	Employees of the Winnipeg Aqueduct Construction Company, Ltd., per Mayor R. D. Waugh, Winnipeg, Manitoba. . . . .	2,000	00
	Citizens of Penticton—per H. G. Fisher, Bank of Montreal, Pen- ticton, B.C. . . . .	2,000	00
	Citizens of Stellarton—per Mayor W. C. MacDonald, Stellarton, N.S. . . . .	2,000	00
	Orangemen of Sydney—per A. M. MacLennan, Box 300, Sydney, N.S. . . . .	1,000	00
	Citizens of Cobourg—per H. H. Floyd, Cobourg. . . . .	1,000	00
	The Hon. Geo. Gordon, North Bay, Ont. . . . .	900	00
	Citizens of Deer Island, N.S.—per Mayor Frink, St. John, N.B. .	911	00

Mr. T. C. BOVILE.



## APPENDIX No. 1

1915.

		\$	cts.
October	23—Skeena River Canneries and Port Essington—per Mrs. J. T. Williams, Port Essington, B.C. . . . .	1,690	00
	Customs Officers of the Port of Winnipeg—per Geo. F. Bryan, Collector of Customs, Winnipeg, Man. . . . .	1,000	00
	Residents of Sandon—per W. E. Gomm, Sandon, B.C. . . . .	1,000	00
	Citizens of Pugwash—per E. P. Elliott, Secy. M.G.F., Pugwash, N.S. . . . .	1,000	00
	Citizens of Caradoc (Twp.), Middlesex Co.—per John Stuart Reeve, Muncey, Ont. . . . .	1,000	00
	Employees of the Dominion Atlantic Railway—per P. Gifkins, Kentville, N.S. . . . .	1,015	02
	Residents of Hardy Bay, Vancouver Island—per the "Daily Colonist," Victoria, B.C. . . . .	20	00
	I.C.R. Employees of District No. 4—per S. L. Shannon, Moncton, N.B. . . . .	2,000	00
	District of Walton, Hants Co.—per Hedley B. Tremain, Windsor, N.S. . . . .	1,000	00
	Residents of Musquodoboit Valley, N.S.—per G. S. Campbell, Halifax, N.S. . . . .	1,000	00
	Citizens of Western Annapolis—per Miss Agnes P. Gesner, Belleisle, N.S. . . . .	1,000	00
	Ross, Mr. and Mrs. D. C., and Mr. Bixel, Strathroy, Ont. . . . .	1,000	00
	Sealey, Wm. Oscar—per the Royal Bank of Canada, Hamilton, Ont. . . . .	1,000	00
	Citizens of Oxford and vicinity—per Mayor J. S. Van Buskirk, Oxford, N.S. . . . .	2,000	00
	Parish of Stanley—per Howard P. Douglass, Stanley, N.S. . . . .	1,000	00
	McNeill, Dr. Ernest—per Mayor Frink, St. John. . . . .	10	00
	Blair, Mrs. Elsie—per Mayor Frink, St. John, N.B. . . . .	25	
	Residents of Wilsons Beach, Charlotte Co., N.B.—per Mayor Frink, St. John, N.B. . . . .	56	00
	Prime, Egbert C.—per Mayor Frink, St. John, N.B. . . . .	5	00
	Blair, Elsie—per Mayor Frink, St. John, N.B. . . . .	20	
	Loyal Orange Lodge, No. 128, per E. Dougherty, Hagersville P.O., Ont. . . . .	1,000	00
	Citizens of Grimsby, per Captain W. W. Kidd, O.C. "H" Company, 44th Regiment, Grimsby, Ont. . . . .	2,000	00
	Citizens of Almonte, per H. W. Lundy, Almonte. . . . .	2,013	00
	Chas. A. and Albert Gentles, Parry Sound, and George Monteith, Toronto, per E. J. Vincent, Parry Sound, Ont. . . . .	1,000	00
	Citizens of Vermilion, per J. W. G. Morrison, Secretary Treasurer, Board of Trade, Vermilion, Alta. . . . .	1,000	00
	Intercolonial Railway employees at St. John, per Mayor Frink, St. John, N.B. . . . .	304	10
	Sixty-five men of Parry Sound, per E. J. Vincent, Parry Sound, Ont. . . . .	1,000	00
	Hants County, per Hedley B. Tremain, Windsor, N.S. . . . .	1,000	00
	Young, Mrs. James, per W. K. McNaughton, Galt, Ont. . . . .	1,000	00
	Consolidated Optical Company, 400 Richmond street, Toronto, Ont. . . . .	1,000	00
	Smith, F. J. D., Newton Brooke, Ont. . . . .	1,000	00
	Yukon Government Employees, per Geo. Black, Dawson, Yukon Territory . . . . .	1,000	00
	Yukon Daughters of the Empire, per Geo. Black, Dawson, Yukon Territory . . . . .	1,000	00
	Cook Construction Company, Limited, and Wheaton Bros., and employees, Halifax, N.S. . . . .	750	00
	Employees of Consumers Gas Company, per A. Hewitt, General Manager, Toronto, Ont. . . . .	2,000	00
	People of Bancroft, Ont., per E. E. King, Bank of Nova Scotia, Bancroft, Ont. . . . .	1,000	00
	Womens Institute of West Kent, per Mayor O. L. Lewis, 24th Kent Regiment, Chatham, Ont. . . . .	1,000	00
	Twenty Residents of New Glasgow, N.S., per Alex. McGregor, New Glasgow, N.S. . . . .	1,000	00
	People of Lake Saskatoon per Lt.-Col. J. W. H. McKinery, O.C. 66th Battalion, Sacree Camp, Calgary, Alberta. . . . .	700	00
	People of Peace River Crossing per Lt.-Col. J. W. H. McKinery O.C. 66th Battalion, Sacree Camp, Calgary, Alberta. . . . .	700	00
	People of Grand Prairie per Lt.-Col. J. W. H. McKinery O.C. 66th Battalion, Sacree Camp, Calgary, Alta. . . . .	700	00
	North British Society of Halifax per James Hall, Pres. Halifax, N.S. . . . .	1,000	00
	Carriere, Robert C., Lewis, P.Q. . . . .	25	00
	The Citizens of Truro, per Fred. S. Henderson, Truro, N.S. . . . .	1,000	00
	Norton, Harry A., Ayers Cliff, P.Q. . . . .	250	00

Mr. T. C. BOVILLE.



## APPENDIX No. 1

1915.			\$	cts.
February	24.—Militia Statement No. 53—	\$11,299.87		
	Bella Coola Rivers Inlet. . . . .		1,000	
	Examiners Department of Education, Toronto. . . . .		416	00
	Nova Scotia Agency Department of Marine. . . . .		1,000	00
	Officials and Employees, Intercolonial Coal Mining Company, Limited. . . . .		1,000	00
	Willsons Stationery Co., Ltd., and Employees. . . . .		1,000	00
	Citizens of Town of Tilsonburg. . . . .		1,000	00
	Citizens of Vernon, B.C., and District. . . . .		2,210	00
	Norwich Machine Gun Fund. . . . .		1,000	00
	Jno. D. Ross. . . . .		1,000	00
	People of Beckwith Township, County of Lanark. . . . .		1,000	00
	Citizens Queens County, N.B. . . . .		673	87
February	19.—South River, Ont. . . . .		1,000	00
"	28.—Province of Ontario. . . . .		375,000	00
March	6.—Loyal Orange Lodge of Elgin County. . . . .		488	85
"	6.—Employees Algoma Steel Corporation, Sault Ste. Marie. . . . .		737	77
February	29.—Wm. C. Rackham. . . . .		1,000	00
March	25.—H. H. Baxter. . . . .		700	00
Finance Department, Ottawa, March 27, 1916.			\$	1,265,752 92

Mr. H. W. BROWN called, sworn, and examined.

*By Mr. Kyte:*

Q. You are the purchasing agent of the Militia Department?—A. Yes, sir.

Q. Have you any record of the number of machine guns purchased by the department?—A. Yes.

Q. Would you please produce it?—A. In particular the Colts guns, do you mean?

Q. All.—A. Because there are both Colts and Lewis guns.

Q. I want all the machine guns.—A. Well, I am afraid I could not give you that offhand, we have bought altogether 800 Colts guns.

Q. Machine guns?—A. Colts machine guns.

Q. 800?—A. Yes, and I am not quite sure about the Lewis guns. I think about 2,500 of those.

Q. What guns?—A. "Lewis" guns. That is a machine gun that is not made by the Colts Company. There were 2,500 of them.

Q. And what is the name?—A. Lewis guns, they are made by the Savage Arms Company.

*By Mr. Stewart (Lunenburg):*

Q. The 2,500 Lewis guns and the 800 Colts guns are both machine guns?—A. Yes, both machine guns, 3,300 altogether.

*By Mr. Kyte:*

Q. That is the total number of machine guns purchased by the department?—A. Yes, that is as far as my memory goes. The number of Colts guns I know is 800; there may be a few more Lewis guns under contract now, I do not know, but it is at least 3,300.

Q. I asked the clerk of the committee to request you, Mr. Brown, to bring the records with regard to the machine guns.—A. There seems to be a misunderstanding. I understood it was the Colts guns.

Q. I can quite understand you were under a misapprehension.—A. I can give you that information in a very few minutes, I could get it for you by telephone.

Q. Well, I wish you would get the total number of machine guns that have been purchased.—A. I will do so. (Witness retired and on re-entering the room examination was continued.)

Mr. H. W. BROWN.

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The WITNESS: That is right, Mr. Kyte, 2,500 Lewis guns and 800 Colts.

Q. Is that the total number now?—A. Yes, the total number.

Q. All the machine guns purchased?—A. Yes, 3,300 altogether.

*By Hon. Mr. Crothers:*

Q. Do you mean that is the number delivered or the number ordered?—A. The number ordered.

*By Mr. Kyte:*

Q. How many of these have been delivered so far?—A. All the Colt guns have been delivered; I could not tell you how many of the Lewis guns have been delivered. The delivery, I think, was to have begun in December last, and they have been going on delivering since then, but I could not say offhand how many have been delivered so far. They were delivering right along.

Q. Can you give me the date of the first order?—A. The first order was some time in August, 1914; that was an order given by General Hughes to the Colts Company, direct, I cannot give you the exact date.

Q. What was the number of guns in that order?—A. Fifty.

Q. That was an order for fifty guns to the Colts people?—A. To the Colts.

Q. And that order was given direct by the Minister?—A. Direct by the Minister, yes.

Q. Have you a copy of the order there?—A. No, I have not, I never saw a copy of the order, I think the Minister gave it verbally to some representative of the Colts Company at Valcartier.

Q. You think it was a verbal order given by the Minister to some representative of the company at Valcartier?—A. Yes.

Q. Have you any idea to whom the order was given?—A. Well, really, I do not know, I think—

Q. You do not know? You will have something in your mind now, what is it?—A. Well, just a moment—

*By Mr. Bennett (Simcoe):*

Q. Were you at Valcartier?—A. No.

*By Mr. Kyte:*

Q. You say "I think," now you have something in your mind?—A. Well, I do not know, when I say I think, I have the correspondence here and I can look it up. (Consults correspondence.)

Q. Well, what does it show?—A. The order was given apparently to Colonel Allison.

Q. The order apparently was given by the Minister for fifty Colts guns to J. Wesley Allison?—A. Yes.

Q. What was the date of that order?—A. Sometime in August, 1914.

Q. Did the department have any quotations as to price before the order was given?—A. I do not know anything about that.

Q. You do not know?—A. No.

Q. What was the price, as a matter of fact?—A. \$600.

Q. That was the amount paid for these Colts guns?—A. Yes.

Q. Were those fifty Colts guns delivered?—A. Yes.

Q. Where were they delivered?

*By Hon. Mr. Crothers:*

Q. Excuse me, before you go further, would that \$600 include the guns complete?—A. That is for the gun with certain accessories, the gun complete, yes, that includes also some accessories, feed belt, etc.

Mr. H. W. BROWN.



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Q. That includes the complete gun ready for use?—A. Yes.

Q. I thought they came to a thousand dollars each?—A. Well, the nine hundred-odd dollars included a complement of spare parts for repairs, replacement and that sort of thing.

Q. And were those accessories gotten at the same time as the guns?—A. No, they were not, they were gotten in the course of the fall, some few months afterwards.

*By Mr. Kyte:*

Q. Were any negotiations carried on by the department to ascertain the price of these machine guns before the order was given?—A. No.

Q. The order was given to Colonel Allison for this number of guns, and they were delivered?—A. Yes.

Q. When was the next order given?—A. October 8 and 9, 1914.

Q. And what was that order for?—A. For 250 guns at \$600.

Q. Who gave that order?—A. That was given by me.

Q. Given by you; to whom was it given?—A. To the Colts Company—I beg pardon, I would like to refresh my memory. (Consults file.) Yes, that is right, it was given to the Colts Patent Fire Arms Company, Hartford.

Q. You have the order there?—A. There are two telegrams.

Q. Will you read them?—A. The first one is (reads):—

OTTAWA, October 8, 1914.

Colts Patent Fire Arms Coy.,  
Hartford, Conn.

Please ship fifty more Colts rapid fire guns, six hundred dollars each, to 203 Queen street, Ottawa.

(Sd.) H. W. B.  
*Director of Contract.*

The next order was on the following day as follows (reads):—

OTTAWA, 9th October, 1914.

“Colts Patent Fire Arms Co.,  
Hartford,  
Conn., U.S.A.

Please ship my address, 203 Queen street, Ottawa, two hundred more Colts rapid fire guns. When will first lot be shipped, and whole order complete? Mailing covering order.

*Director of Contracts.”*

Q. That is an additional order?—A. Yes.

Q. And both together make 250 guns?—A. Yes, the first order is for 50 and the second for 200.

Q. Have you any further correspondence in connection with that order?—A. There is a letter confirming those two telegrams dated a day or two later.

*By Mr. Blain:—*

Q. Do you consider the price of those guns reasonable and fair?—A. I had not any opinion about the price. I understand that the Colts Company stated at that time this was the lowest price at which they were supplying these guns to any government.

*By Mr. Kyte:—*

Q. Who did you get that understanding from?—A. From Colonel Skinner, the vice-president of the company.

MR. H. W. BROWN.

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*By the Chairman:—*

Q. Vice-president of the Hartford Company?—A. Yes, the Colts Company.

*By Mr. Kyte:—*

Q. Will you please state to the committee the circumstances under which you were instructed to give these orders?—A. Well, my recollection is, in fact the papers here show, that the Prime Minister was the Acting Minister of Militia at the time, and the instructions were given by him, and, I think, there is a requisition of Council.

Q. I think we had better get these things on record so that we may know exactly how it was done.—A. There is a recommendation to Council here signed by Sir Robert Borden.

*By the Chairman:—*

Q. Will you please read it?—A. (Reads):

October 12, 1914.

*To His Royal Highness the Governor General in Council:*

The undersigned has the honour to recommend to your Royal Highness in Council, that he be given authority to purchase for the Canadian Military Forces, 250 Colts automatic rapid-firing guns, at \$600 each, 250 extra barrels therefor at \$25 each, 2,500 extra belts at \$3 each, and 250 loading machines therefor at \$50 each.

The whole respectfully submitted.

ROBERT L. BORDEN,

*Acting Minister of Militia and Defence.**By Mr. Kyte:*

Q. That was four days after the order was given?—A. Yes, I got verbal instructions before that.

Q. From whom?—A. Well, I could not say now whether it was from the Deputy Minister or the Acting Minister; I could not say as to that, I know I got instructions.

Q. What have you further than that?—A. Well, the order follows. The Order in Council is on the 17th of October.

Q. Will you please read it?—A. (Reads):—

17th October, 1914.

The Committee of the Privy Council, on the recommendation of the Acting Minister of Militia and Defence, advise that the Minister of Militia and Defence be given authority to purchase for the Canadian Military Forces, 250 Colts automatic rapid-firing guns, at \$600 each, 250 extra barrels therefor at \$25 each, 2,500 extra belts at \$3 each, and 250 loading machines therefor at \$50 each.

RODOLPHE BOUDREAU,

*Clerk of the Privy Council.*

The Honourable

The Minister of Militia and Defence.

Q. Is the total amount of the order given there?—A. No, but it could be figured out, it amounts to about \$150,000.

Q. Would you happen to know where the Minister of Militia was at that time?—A. I think he was in New York.

Q. He was in New York?—A. I think so.

Mr. H. W. BROWN.

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*By Mr. Blain:*

Q. The first order you say was given to Colonel Allison, but the second order was not given to Colonel Allison?—

The CHAIRMAN: He says Colonel Allison was the agent who got the order.  
A. I said it was given by the Minister to the representative of the Colts Company and I understood that Colonel Allison was the representative of the Colts Company. That was my understanding of it, but I was not at Valcartier and did not know personally.

Mr. BLAIN: I would like to read this letter which is on the file (reads):—

MINISTER'S OFFICE,

OTTAWA, Aug. 29, 1914.

Colonel W. C. SKINNER,  
Colts Patent Fire Arms Mfg. Co.,  
Hartford, Conn.

DEAR COL. SKINNER,—The Minister of Militia and Defence gave me authority to order the following automatic guns with tripod mount: 2 spare barrels for each gun; one loading machine for each gun; and 36 feed belts for each gun, in addition to the four that go with each gun; and a sufficient number of asbestos mitts or gloves for the men in charge of above.

Yours truly,

J. WESLEY ALLISON.

PS.—The verbal order which this confirms was for 50 Colt automatic guns.

*By Mr. Kytē:—*

Q. Mr. Brown, who was it prepared that Minute of Council for the Premier as Acting Minister? Of course he would not do it himself?—A. I prepared that minute myself.

Q. Under whose instructions were you acting?—A. Well, as I say, I am speaking from memory now and I cannot say; I got instructions either from the Acting Minister or the Deputy Minister, one or the other, I do not know which.

Q. Either from the Acting Minister, who was Sir Robert Borden?—A. Yes.

Q. Or the Deputy Minister?—A. Yes, General Fiset.

Q. Do you remember seeing Colonel Allison at any time?—A. At that time?

Q. During the time that these orders were going to the Colts Company?—A. Yes, I saw Colonel Allison several times in the office in 1914.

Q. In the Department?—A. Yes, sir.

Q. Discussing supplies for the Militia Department?—A. Oh well, he was in and out; he was not in my office very often.

Q. But you know he was seeking business?—A. Yes, I have seen him there.

Q. And you know he was there as the representative of certain munition concerns that were selling to the Department of Militia and Defence?—A. Well, I did not. Mr. Blain has just read a letter which Colonel Allison wrote to Colonel Skinner, stating that the Minister had given him authority to order the following automatic guns with tripod mount. I, perhaps, should not have said that he was the representative of the Colts Company. I do not know just exactly what Colonel Allison's status was, I do not know.

Q. You know that orders for these things were given direct?—A. Oh yes.

Q. And the first order that was given I think the price was said to be \$600 for each gun?—A. Yes.

Q. And in the next order the price was the same?—A. Yes.

Q. Well now, will you please state when the next order for machine guns was given?—A. On the 22nd of May, 1915.

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*By Mr. McKenzie:—*

Q. Perhaps you will tell us now who was Colonel Allison representing in whatever capacity he was acting?—A. I could not tell you.

Q. Was he representing the department or sellers to the department?—A. Well, this letter which Mr. Blain has just read would seem to indicate that Colonel Allison was representing the department, and no doubt that was right. My statement a few moments ago was incorrect. I made that statement before I looked at the letter, and in making the statement I was wrong, that is all.

*By Mr. Michaud:*

Q. You are guiding yourself entirely by that letter?—A. Not by that letter alone.

*By Mr. Kyte:*

Q. Do you regard him as the agent of the Militia Department?—A. Yes.

Q. All through these purchases?—A. Well, I do not know, I do not know what he was. It did not make any difference to me what he was, I was given instructions and acted upon them; it really was a matter of indifference to me whether he represented the Colts Company or the Department of Militia. I was told to do thus and so.

Q. Certainly. There is no reflection on you if you did recognize him?—A. That is not a thing I can say now; after eighteen months or two years have gone; I cannot say what I regarded him as then.

*By Mr. Sinclair:*

Q. He may have been just a patriot trying to help things along?—A. Well, I was not worrying about that.

*By Mr. Michaud:*

Q. Was Colonel Allison frequently in the department during that time?—A. Any time I saw Colonel Allison we were talking about whatever the matter was under consideration and that was, generally speaking, either pistols or Colts guns, one or the other, that is all the dealings I had with Colonel Allison.

*By Mr. Sinclair:*

Q. When were these guns delivered, this last order of 250?—A. This last one of October, 1914?

Q. Yes, when were they delivered?—A. Well, the papers are here, and no doubt I could tell you in a moment, the receipts for them are here on the file, but I could not say without looking it up.

Q. Was there a time fixed for their delivery?—A. Yes.

Q. And did they live up to the contract?—A. Yes, they have been fairly prompt.

*By Mr. Davidson:*

Q. What about the number of concerns from which these machine guns can be obtained? Are there many manufacturers from whom you could obtain them?—A. No, most decidedly not. I do not know of any other places except the Colts Company and the Savage Arms Company, and that company has only been available within the last year.

Q. So that at the time this first order was given it would not make much difference if you had enquired about the price you would have to pay for them?—A. As far as I know it would not, I never heard of any other concern that could supply them.

*By Mr. Kyte:*

Q. The next order was given on the 22nd of May, 1915.—A. Yes.

Q. What was the number?—A. 250 at \$619.

Mr. H. W. BROWN.



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Q. Who gave that order?—A. That was, no doubt, given by me. No doubt it was given by me on a requisition from the Quartermaster General, the usual requisition.

Q. To whom was the order given?—A. To the Colts Company.

*By Mr. Blain:*

Q. Was there any applications from any of these concerns offering to supply these guns?—A. I do not remember any.

Q. Then as far as your knowledge went these prices were reasonable?—A. As I say we had that statement of the Colts people themselves that they were giving to the Militia Department not only as good prices but for a time they were giving the Militia Department, so they said, better prices than they were giving anybody else. They were charging us for that second order of 250 guns, that is the order given in October, 1914, \$600, and this statement has been repeated again and again to me that, at that time, they were charging all other governments \$650 for just exactly the same gun and equipment.

*By Mr. Kyte:—*

Q. That is, they told you that?—A. Yes, they made the statement, if I remember rightly, not only in conversation but in writing—I am not sure about the written statement, but I think that is right, Colonel Skinner made that statement more than once.

Q. You know your department bought pistols from the Colts people?—A. Yes.

Q. Do you remember the price that was paid to them?—A. Yes.

Q. What was it?—A. \$18.50.

Q. And you know they were, at the same time, selling to the trade at \$14.50?—A. They were selling at less than \$18.50.

Q. And I suppose they told you then they were not selling to anybody at less than \$18.50?—A. I do not know about that.

Q. Do you remember discussing the price of pistols with the Colts people at all?—A. Discussing the price of pistols?

Q. Yes?—A. Well, no, I do not think I had very much discussion with the Colts Company about the price of pistols before the orders were given.

Q. But after the contract was given did they give you to understand that \$18.50 was the lowest price at which they were selling?—A. Yes.

Q. But \$18.50, was not the lowest price at which they were selling?—A. Well, there is a dispute there, Mr. Kyte. My recollection was that they did tell me that was the lowest price at which they were selling pistols, but they claim that they did not say that. They claim they said they were giving us, if I remember rightly, the same special parts at the same price, they did not say that about the pistols. I do not think I have their statement about the price of the pistols in writing, it was said to me in conversation, but that is a thing on which they may be right although my recollection is that they said we were getting them at the lowest price.

Q. I am not speaking of whether they said it or not, but it is a matter of fact?—A. It is not a matter of fact, it is a matter of memory. I have a recollection of their saying this, that Colonel Skinner said this when he had a conversation with me, but Colonel Skinner has no recollection of that, he says positively, "I did not say that." Now, it is not a matter of fact but it is a question of whether my recollection is right or his.

Q. Is it not a matter of fact that you paid \$18.50 for each pistol? And is it not a matter of fact that they sold the same pistols to Birkett for \$14?—A. I do not know the exact price at which they sold to Birkett, but it was certainly less than \$18.50.

Q. You had no knowledge yourself as to what was the price when you gave this order?—A. No.

Q. So you took their word for it?—A. I did not make the price.

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Q. No, and you did not ascertain what the price ought to be although you are the purchasing agent, you accepted this order to buy those guns at \$600?—A. I carried out my instructions.

*By Mr. Blain:—*

Q. Have you found Colonel Skinner, who represents the Colts Company, an honest man or, not?—A. Well, this is the only dispute we have had, and he may be right, I do not know.

Q. And what was the dispute?—A. What I was saying a moment ago. I said my recollection was that he had told me this was the lowest price anyone was paying, the lowest price that any other Government was paying for these pistols. That was my recollection, that he had told me that. He said he did not tell me that. It is simply a question whether his memory is better than mine. It is not a question of fact. It may very well be that my memory is bad, but I certainly had that recollection.

*By Mr. McKenzie:*

Q. One thing that is very clear is that you paid \$18.50 for the pistols?—A. Yes.

*By Mr. Kyte:*

Q. We will go back to the machine guns for a moment. You made no enquiry as to the price when you were purchasing them?—A. No.

Q. As purchasing agent you did not inform yourself on that point?—A. I didn't have to.

Q. You did not do it, at all events. It is another question whether you had to or not, but you accepted the order, to purchase, you forwarded the order to the Colts people at that price?—A. Yes.

Q. And the only knowledge that you had as to whether that was a reasonable price was because they told you so?—A. That is my knowledge, yes.

*By the Chairman:*

Q. Have you ever taken any action since for the purpose of verifying whether or not \$600 was a reasonable price?—A. No.

Q. Do you know whether other nations are paying the same?—A. Well, I have the statement of Colonel Skinner in regard to that.

Q. That is the only statement?—A. Yes, and I think that either Colonel Skinner or Colonel Stone made the same statement upon oath before Sir Charles Davidson. I am not positive about that, but I think it is right.

Q. At any rate you say there are only two firms making this gun?—A. I do not think there are any others; those are the only two that I know of, or that anyone in the department knows of, I am certain about that because if there were other concerns we would have been very sure to find out.

*By Mr. Kyte:*

Q. You were not asked to enquire whether there were others?—A. No, I was not.

Q. You also know that Colonel Skinner swore before Sir Charles Davidson that he had paid Colonel Allison a commission upon the sales to the Canadian Government?—A. I do not know that, I have not seen the evidence, it may be in the evidence.

Q. I ask you now if you are also aware that Colonel Stone stated before Sir Charles Davidson's Commission that he had paid Colonel Allison for securing business from this Government.

*By Mr. Bennett (Simcoe):*

Q. Did you hear the evidence given by Colonel Stone?—A. I did not hear it, and I did not read it.

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Hon. Mr. CROTHERS: My recollection is, I am not speaking positively, that Colonel Stone did not say before Commissioner Davidson that he had given Colonel Allison anything for orders from this Government, but that he had given him something, because he was his agent in getting contracts for the Company, not only here, but elsewhere. I do not think that Colonel Stone said it was for orders from this Government, but I am not quite sure.

Mr. KYTE: My recollection is that Commissioner Davidson asked if he had paid Colonel Allison anything for Canadian business and that Colonel Stone said, yes.

Mr. DAVIDSON: Your recollection is wrong.

Mr. KYTE: Well, the record will show.

*By Mr. Kyte:*

Q. We have disposed now of the order of May 22, what is the next order?—A. 25th of November, 1915, for 250 guns at \$607. I should like to explain the difference between these two prices, the price of May 22 at \$619, and the price of November 25 at \$607. The accessories supplied were a little different and that accounts for the difference in price. The price for the gun complete as delivered in August, 1914, was \$650, but there were certain parts cut out of the order in May, 1915, and that reduced the cost from \$650 to \$607. The price really for the gun, with the complement it had in August, 1914, was \$650; there are just the two prices, \$600 and \$650.

Q. Have we any statement from you as to the order at \$650?—A. The first two orders were \$650 and the last two orders were equivalent to \$650, but the prices show here as less, because we took less parts with the gun, that is the only difference.

Q. Taking the first two orders as the standard?—A. Yes.

Q. The other orders would be at the price of \$650?—A. Yes.

Q. So that, as a matter of fact, the price you gave for the last two orders was \$650?—A. Yes, for the same gun and parts.

Q. Is this the last order you gave?—A. That is the last order for the Colts guns, yes.

Q. Will you tell the Committee how the last two orders were given?—A. They were given directly to the Colts Company at Hartford.

Q. By whom?—A. By me.

Q. They were given directly by you?—A. Yes.

*By Mr. Blain:*

Q. Do you know of anybody in Canada manufacturing machine guns at that time?—A. Oh, no, I do not think there was anybody; I am quite sure there was nobody at that time; there was no one, no. I cannot say positively, but I am quite sure if there had been the department would have heard of it.

*By Mr. Kyte:*

Q. There was an order for machine guns given by the Ontario Government, was there not? Do you happen to know anything about it?—A. No.

Q. And you have no knowledge as to the amounts of money which were received by the Finance Department from various sources for the purchase of machine guns?—A. I have no knowledge whatever.

Q. With regard to the Lewis guns have you any record of the orders that were given?—A. Unfortunately, as I say, I misunderstood the message, consequently I have no record here about the Lewis guns at all. I can tell you the first order was given last spring, probably in May or June.

Q. That is near enough, I do not want to get the details, but a general idea?—A. Yes, I think it was probably in June, 1915.

Q. For how many guns, do you know?—A. Between June and August there were orders given aggregating 1,500 guns altogether, I think there were two or three orders,

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but I know that in August the total quantity ordered was 1,500. Since that, 1,000 guns have been ordered, I think, in two lots of 500.

Q. Can you say about what time these orders were given?—A. The later ones?

Q. Yes, the whole of the orders?—A. Well, I could not say from memory, it was probably in October or November the last two orders.

Q. Can you get that information for us?—A. I can get it by phone. (Witness retired and shortly afterwards returned to the stand.) The first order was on the 8th of July for 100 guns.

Q. At what price?—A. \$1,000.

Q. And what is the next order?—A. On the same date, the 8th of July, 400 guns at the same price. The next order was on the 29th of July for 500 guns at the same price.

*By Mr. Blain:*

Q. 1915?—A. Yes.

*By Mr. Kyte:*

Q. What is the date of the next order?—A. On the 9th of August, 1,500 guns.

Q. At \$1,000 each?—A. \$1,000, yes.

Q. Who gave these orders?—A. They were given by me, signed by me.

Q. You have the records of them here?—A. No.

Q. Who was the agent of the Savage Arms people in this transaction?—A. Well, the only representative of the Savage Arms Company that I can think of now is Mr. Barker, who was the traveller for these people.

Q. Do you remember seeing Colonel Allison in connection with these orders?—A. I do not, no.

Q. Had you any information as to the agent who had placed these orders with the Militia Department, who he was?—A. No.

Q. You have no knowledge yourself?—A. No.

Q. What is the difference, or do you know the difference in the character of these two classes of gun, the Colts Company's gun at \$600 and \$650 and the Lewis gun at \$1,000 each?—A. They are two entirely different guns. They are entirely different pieces of mechanism. I could not tell you the difference; it would take an expert to tell you that.

Q. Had you any information as to what was a reasonable price for these guns before giving the order?—A. No.

Q. That was not discussed by you?—A. No.

Q. You did not ascertain from the Savage Arms Company what they would sell these arms to the Government for?—A. No, the order was given to me, and I was acting under instructions, I had no discretion; I think that the price was authorized by Order in Council.

Q. Well, the next day the Committee meets you will be good enough to bring these records?—A. Yes.

*By Mr. Sinclair:*

Q. Did you have any personal instructions from any one in reference to these orders?—A. I think, I am speaking from memory now, that this order was given by me under instructions received from the War Purchasing Commission, if I remember rightly, but the preliminary negotiations were carried on by the War Purchasing Commission, that is my recollection.

*By Mr. Bennett (Simcoe):*

Q. The War Purchasing Commission was a sub-committee of the Government?—A. They are a Commission appointed by Order in Council to do this very work.

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*By Mr. Sinclair:*

Q. Who were they?—A. The Hon. Mr. Kemp, Mr. Gault, and Mr. Leporte.

Q. Was it not your duty to ascertain the reasonableness of the price of goods that were purchased?—A. No, not where I get specific and definite instructions to buy thus and so.

Q. Under what circumstances are you relieved from that responsibility?—A. In any case where I get instructions to order anything from anybody at a certain price or on certain conditions; that is when I get instructions from my Deputy Minister, or where the instructions are given by Order in Council, as instructions are given in some cases, specifying exactly what is to be done. In all those cases my business is simply to carry out the routine, the clerical end of it.

Q. Nor on any purchases at all?—A. Well, of course, we are getting tenders all the time.

Q. But most of the purchases are made by you on receiving instructions to buy?—A. Oh no, this is an exceptional thing, a very exceptional thing. Of course, take the machine guns, and you cannot go out and get public tenders for machine guns as you would for the supply of hay or groceries. In such cases as this where it is a very technical matter, the technical officers of the department have a great deal to say about it, they have examined the gun themselves, and they will report whether, for instance, a Colts guns would suit their requirements.

Q. When you got these instructions to buy these guns at this price did you submit the matter to the technical officers of your department to find out whether the price was reasonable or not?—A. Oh no, that would be done before it came to me. I am not speaking particularly of this transaction now, but of any such transaction as that. It is happening every now and then when it is proposed to buy something of a highly technical character such as automatic guns that the technical officers, the military officers in the Headquarters Staff, have a great deal to say about it, more particularly where it is very technical.

Q. Do you know whether they had anything to say about this?—A. I do not, because, as I say, the first order, was given before I had anything to do with it, I did not even know that it was given in August, 1914, it was not given here at Headquarters, but at Valcartier camp. I do not know what advice General Hughes took; the question may have been very thoroughly discussed, as far as I know. I really do not know anything about it, and, as I say, that order was not given from the department but by General Hughes himself, and the subsequent orders were simply instructions to give a repeat order to these people for such a quantity. If the advisability of using the Colts gun had been considered or discussed at all it would have been considered in the very first place before the first contract was made, but whether that was discussed at that time I do not know because, as I say, I did not know anything about the order until after it was given.

Q. I was trying to find out if we had a proper purchasing organization. I had been led to believe that we had and that when any article was wanted like the Colts gun or the Lewis gun that all the Minister had to do was to submit it to you as purchasing agent, and that you had a staff in your department who would know where you could get these things and what you should pay for them. That would appear to me to be the proper way of doing it, but you do not seem to have much to do with it?—A. I did not, as I have explained, with regard to these machine guns.

*By Mr. Davidson:*

Q. It would be the Purchasing Commission that would make that investigation to which Mr. Sinclair refers?—A. Yes, they do a great deal of that now.

*By Mr. Sinclair:*

Q. They have taken a great deal of the work out of your hands?—A. Yes, but as far as the actual volume of work done in the Contract Branch of the department is

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concerned—I am talking now of all of the work and the time spent in getting the stuff out—a transaction like that takes an almost infinitesimal part of the time. Most of the time is taken up in matters that are almost purely routine, and yet they have to be attended to. It is just as necessary, for instance, that the troops should be supplied with food as it is that they should be supplied with Colts guns, and there is a great deal of work,  $\frac{9}{100}$ ths of it is purely routine or, I might say, that 999 parts out of 1,000 of the work that has to be done is routine.

Now in the case of such purchase as these, of the Colts guns and the Colts pistols, that was an unusual purchase, a specialty, they had never been bought before. It is very much like buying a new rifle. If a new pattern rifle were to be considered the question of the design and the adaptability of the arm to the purpose for which it was required would not be dealt with by the Contracts Branch at all, but by the technical officers of the department who have to do with that and it is the same with respect to these guns and pistols.

Q. But why should they go outside the department to do these things?—A. Well, we sometimes go outside too.

Q. In nearly every case that we have been investigating it appears that somebody else is responsible for the purchase price and everything else?—A. Well, the circumstances are entirely exceptional. Nearly all the enquiries here are about transactions which were done in the first six weeks or two months of the war, and it is not at all fair to judge the Contract Branch, or any other branch of the Militia Department by what was done in the first six weeks or two months of the war. The circumstances were entirely exceptional, and probably will never happen again.

Q. That is the point, that is what we keep a Contract Branch and technical officers for, so that when the first call comes they are ready to act.

*By Mr. Kyte:*

Q. Where does the Savage Arms Manufacturing Company carry on business?—A. Utica, New York.

Q. Would you happen to know that there were considerable sums of money paid in by the various provinces and municipalities for the purchase of machine guns?—A. I believe there were.

Q. For the purpose of purchasing, machine guns?—A. I have heard it, but it is only hearsay.

Q. I just want to find out where we can get this information. Do you happen to know whether any of these funds were appropriated specially to the purchase of guns?—A. No, I do not know.

Q. Who would be the officer who could tell us?—A. I know so little about it that I really do not know enough to tell you.

Q. Would the Deputy Minister be able to say?—A. Either the Deputy Minister or the Accountant, I should say, but that is really because I had nothing to do with it at all; I do not know anything about it.

Q. What I want to get at is how many guns were purchased upon the orders of the various municipalities and charged to the contributions?—A. Well, I think one of these—when we bring the papers down here about the Lewis guns in one of these orders given for Lewis guns, I think there is some reference to a contribution by the province of Ontario; I do not know for certain, but the papers will show that.

*By Mr. McKenzie:*

Q. Do you personally know this Purchasing Commission to which you have made reference?—A. The members of it?

Q. Yes?—A. Oh, very well, the hon. Mr. Kemp, Mr. Laporte and Mr. Gault.

Q. Are they what you might call technical men in respect to the purchases which they have to make?—A. I think probably the members of the Committee know Hon. Mr. Kemp better than I do.

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Q. As far as you know. Just give me your answer—are they technical men, engineers, or anything of that kind?—A. Well, I do not know, sir. I understand Mr. Kemp is a business man. I think Mr. Leporte and Mr. Gault were wholesale grocers, I think that is right, but I am not sure of it. Mr. Leporte is a wholesale grocer, and Mr. Gault is, I think, I am not sure, either a wholesale grocer or a tea and coffee merchant in Winnipeg, but I am not sure of that.

Q. I think we have an idea that Mr. Kemp is a manufacturer of tins. I think that is his business, and I do not hear any objection to that, but I believe that is correct. Do you know who the technical advisers of these men were?—A. Oh, well, there is quite a staff there.

Q. Can you give us the name of the chief technical officer on purchases of this nature?—A. No sir, they have the advantage of the advice of the whole staff of the Department of Militia. They can and they do get advice from the officers of the Department of Militia, but I could not tell you on any occasion what advice they get.

Q. I am not asking you that, but who is available as technical adviser for this commission in the department?—

Mr. LALOR: As a matter of fact, Mr. Burns, and certain other officers, examine goods and make recommendation?—A. Mr. Burns has special knowledge on textiles, but the War Purchasing Commission do not confine themselves to the department. As far as that goes, they can get advice from the outside or the inside, and I know that occasionally they do go outside, but I could not tell you how much or how often or on what occasion. I do not really know that, but I do know that they do take advice from time to time from officers in the department or from individuals outside. That is all I can say.

Q. Do you know who, in the department, would be the leading man to advise them on the purchase of these guns?—A. Well, it might be one of several. It might be the Master General of Ordnance, that is General Elliott, or it might be Colonel Helmer, who is Director of Musketry, or it might be one of several others. I really could not tell you positively.

Q. If you were buying the guns now, and if the commission were not there at all, and the purchasing of the guns came to you in your capacity as Purchasing Agent, who would be your adviser as to the technique of these guns?—A. Within the department?

Q. Within the department?—A. Well, it would probably be General Elliott or Colonel Helmer or someone, I think, some member of their staff.

Q. Do you mean to tell me that things are so vague in your department that you would not know? You are the chief man of the purchasing staff, are you not?—A. Yes.

Q. And do you mean to tell me that things are so vague you could not tell the committee whom you would in your department consult about purchasing such a highly technical thing as a machine gun?—A. I think that I have told you that General Elliott, I think, is the man; but, you see, I have not had occasion.—

*By Mr. Davidson:*

Q. If you had to do it would you apply to him?—A. Yes, but I have not had occasion to do so yet.

*By Mr. McKenzie:*

Q. If you had been called upon to purchase machine guns, as at present advised, you do not know who you would call upon to advise you?—A. I think it would be General Elliott or Colonel Helmer; but, after all, as at present it is open to me to search the department over until I found the right man.



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*By Mr. Blain:*

Q. The purchasing Commission was not in existence when these Colts guns were ordered?—A. No—oh, just a moment—when the first two orders for the Colts guns were given they were not but when the last two orders were given they were in existence.

Q. When did that commission come into existence?—A. About the 1st of May, 1915.

Q. And the first order was given about the latter part of 1914, just about the time the war broke out?—A. Yes. August and October.

*By Mr. Davidson:*

Q. I want to find out a little more about the Purchasing Commission. They are not confined only to the officers of the Department, but they can go outside?—A. They can, just as anyone in the department can. When we are at a loss to get expert advice we go outside.

Q. The whole country is full of experts?—A. Yes.

Q. With regard to boots they have a boot manufacturer to advise them, I believe?—A. Yes, they have a bootmaker from Toronto to advise them.

*By the Chairman:*

Q. When the first order was given I believe it was at the beginning of the war when the troops were at Valcartier?—A. Yes.

Q. In August?—A. Yes.

Q. And that would naturally be a hurry order?—A. Yes, very much so.

Q. Here is a recommendation by General Hughes, perhaps I had better read it, as it decides the case. It reads as follows (reads):—

November 17, 1914.

To His Royal Highness

The Governor General in Council.

The undersigned has the honour to submit the following statement of facts and recommendation for the consideration and approval of your Royal Highness in Council:—

1. On the 29th August last, an order was given the Colt's Patent Fire Arms Manufacturing Company of Hartford, Connecticut, for 50 Colt's .303 calibre automatic guns, complete with tripods and mounts, spare parts and accessories.

These guns were required for the equipment of the 1st Canadian Expeditionary Force and were ordered without previously obtaining authority from your Royal Highness in Council, because it was necessary to order them immediately if they were to become available before the contingent sailed.

2. These guns were shipped in three lots: fifteen on the 12th September, five on the 18th September, and thirty on the 20th September last; and have all been duly received. Only the first twenty were received in time to be shipped with the first contingent.

3. The complete equipment ordered with each gun was as follows:—

One .303 automatic gun, complete with tripod and mount; also with four feed boxes and four feed belts, and a leather tool bag containing a set of spare parts and accessories, at \$600 each.

2 extra barrels with each gun, at \$25.

36 extra feed belts with each gun, at \$3.

1 pair asbestos gloves or mittens with each gun, at \$3 per pair.

1 belt loading machine with each gun, at \$50 each.

These prices are fair and just.

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4. I beg to recommend payment of the company's accounts for fifty guns, spare parts and accessories, so delivered, amounting in all to the sum of \$38,225.

The whole respectfully submitted.

SAM HUGHES, Colonel,

*Minister of Militia and Defence.*

So that it is a fact that the department ordered them in a hurry with a view of getting them off with the first contingent and the Order in Council was subsequently passed based on the recommendation I have just read?—A. Yes.

*By Mr. Kyte:*

Q. Would you suggest someone, the accountant or the Deputy Minister, who can give us information about the machine guns purchased by this War Purchasing Commission?—A. I think the accountant would probably know more about it.

Q. Could you not tell the Clerk of this Committee, within the next day or two, where this information can be got?—A. Yes. That is you want information about the moneys received on account of them?

Q. About the purchase of the machine guns from the provinces, corporations and private individuals?—A. You want the receipts?

Q. Yes, the particulars about the number of guns purchased for each order?—A. Yes, he may know it, I suppose he will if anyone in the Department does. I know that with the exception of one order, and the papers for that I am going to bring down, but with that one exception I am quite sure there is nothing on the fyles showing that any order to the Lewis people was earmarked as representing guns to be paid for out of these contributions.

Witness retired.

Committee adjourned.



OFFICIAL REPORT OF EVIDENCE

TAKEN BY THE

PUBLIC ACCOUNTS COMMITTEE

IN CONNECTION WITH

PAYMENT OF \$4,072.80 TO W. R. MCGEE





By leave of the House,

Mr. Morphy, for Mr. Middlebro, from the Select Standing Committee on Public Accounts, presented the Sixth Report of the said Committee which is as follows:—

Your Committee have had under consideration the accounts, vouchers and other papers respecting a payment of \$4,072.80 to W. R. McGee, Ottawa, in connection with the Department of Militia and Defence, as set out at page 29-ZZ of the Report of the Auditor General for the fiscal year ended March 31, 1915; and, in connection with said payment, have examined witnesses under oath and, for the information of the House, report herewith the evidence given by such witnesses and the exhibits filed during the said examination; and your Committee recommend that the same be printed as an Appendix to the Journals and that Rule 74, relating thereto, be suspended.



## MINUTES OF EVIDENCE.

HOUSE OF COMMONS,

COMMITTEE ROOM No. 301,

FRIDAY, February 25, 1916.

The Select Standing Committee on Public Accounts met at 11 a.m., the Chairman, Mr. Middlebro, presiding.

THE CHAIRMAN: I would like to say with reference to the motion passed at the last meeting of the Committee, moved by Mr. Kyte, that Messrs. John L. Nelson, Walter Walker, W. H. Price, Joshua Kingham, and A. M. Kirk, all of Victoria, B.C., be summoned to appear and give evidence respecting a payment for coal to Kirk & Co., in connection with British Columbia dredging, that the date was to be agreed upon by Mr. Kyte and myself. After this motion was passed, I ascertained that there had been an investigation with reference to this particular item, which I think amounts to about \$4,000.00, and that the Commissioner had made a report of the enquiry, and that sixteen witnesses had been summoned in Victoria. The report is now on file in Ottawa. I did not like to take upon myself the responsibility of ordering five witnesses to appear here. The clerk tells me it will cost about \$300 to bring a witness down, and I did not wish to incur an expenditure of that kind in connection with a small item. Mr. Kyte and I agreed to leave it to the Committee to judge.

HON. MR. REID: I am not objecting at all to bringing down witnesses if the Committee wish, but I may say, so far as this item is concerned that the Deputy Minister of Public Works came to see me one day when I was Acting Minister of the Department, and produced a letter from the Auditor General making the statement that there had been some irregularities in connection with the purchase of coal in British Columbia. If my memory serves me right, I have not looked at any of the papers sent on, the amount was something between three and four thousand dollars. The Deputy Minister asked me what he would do in the matter. If I remember rightly, I wrote across the file, "This matter must be investigated at once." The Auditor General's letters, I think, would show that I thought that the matter should be investigated at once. Mr. Rogers was in the West at that time. I decided that it would be better to have someone outside of the Department investigate this matter, and on my recommendation, Council appointed Mr. H. P. Hill, of Ottawa. Mr. Hill went to British Columbia, and he told me—in fact, I saw it in some of the newspapers—that he held a public investigation; there were lawyers on both sides of the case; the parties interested had solicitors acting for them, and a most thorough investigation was made, which was reported in the newspapers from day to day, and, as far as I can see, everything was brought out that could possibly be brought out. He came back here and has made his report.

MR. CARVELL: About what time was the investigation held in Victoria?

HON. MR. REID: The Auditor General's letter came to me—Mr. Hill, when did you go out?

MR. H. P. HILL: I went out on November 18th.

HON. MR. REID: Mr. Hill went out on November 18th. It was probably a week before that that Mr. Hunter produced the letter from the Auditor General. I think it was a week or ten days before I got the Order in Council through, and there was not any more than that delay from the time the Deputy Minister handed me the file until Mr. Hill went West, and I do not think the Auditor General's letter was in Mr. Hunter's hands more than three or four days. Now, that investigation was held, and Mr. Hill came back with his report, which he has sent to the Minister of Public Works.

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There is no doubt at all but that the same witnesses will be required here as in Victoria, which would mean sixteen or seventeen witnesses. I am informed that the fare to and from Victoria, together with the expenses in connection with the investigation, would amount to between three and four thousand dollars. I am going to suggest to the Committee that they take the evidence of the Auditor General this morning regarding this matter—I suppose he has read the evidence, I do not know—if not, we will get his opinion of the whole matter, and then we could decide whether it would be necessary to spend so much money. We could get Mr. Hill's report and read it, and if after reading that report the Committee feel that there is any more that can be brought out, or that the report is unfair, then I, for one, would hold up both hands to bring any witnesses here that you like. But it is scarcely right to spend three or four thousand dollars for an item that equals that amount, after our having already spent seven or eight hundred or a thousand dollars in investigating. It strikes me the amount involved is too small to take any further evidence.

MR. KYTE: I might say that I was not aware that an investigation had been made with respect to this particular matter, and I would be quite willing to let it stand over until we read the report and the evidence.

HON. MR. REID: If anything further is then desired, we will make a motion later on.

HON. MR. MURPHY: When will the report be brought down?

HON. MR. REID: The report was made by Mr. Hill to the Minister of Public Works. I am willing to agree to instruct the Public Works Department to make a copy of it at once for this Committee.

MR. KYTE: I would like to have it as soon as possible.

HON. MR. REID: I will tell them to-day to make a copy. The notice for these witnesses will stand until after you have seen the report.

The CHAIRMAN: With reference to the next item, Mr. Kyte, respecting payment to Grant, Smith & Co., & Macdonald, in connection with Victoria Harbour wharves, can that be fixed to-day? You want those witnesses from Victoria.

HON. MR. REID: This is a case that the Auditor General made a report to the Public Works Department upon, and it came when Hon. Mr. Rogers was in Winnipeg. Mr. Rogers, as I understand, wired down to the Chief Engineer to send Engineer Valiquet out to make a report. He made a report; I did not read it, but he told me about making the report. After Mr. Valiquet made the report, there was still some objection, I think, as to his report not being satisfactory. If my memory serves me right, then Mr. Hunter and the Minister of Public Works—or I do not know whether it was Mr. Hunter and myself; at all events it came before me sometime when Mr. Rogers was away—sent Mr. St. Laurent, Assistant Deputy Minister, out also, and he made a full report. I have not heard what that report is. How would it do for the Committee to get those two reports at once? I will get copies of those reports at once.

MR. CARVELL: Pardon me. I got the information from some source that a Mr. Davy, an officer of the Department was also there.

HON. MR. REID: Mr. Hunter would know.

MR. J. B. HUNTER: Mr. Davy is the engineer in charge of borings for the Department. He made the original borings from which the plans were prepared. He made a report which, I think, is included in Mr. St. Laurent's report as an appendix.

MR. CARVELL: Was Mr. Davy on the ground in Victoria say, within the last three or four months?

MR. HUNTER: I think Mr. St. Laurent took him with him.

HON. MR. REID: If you would call Mr. St. Laurent and the other officials of the Department who made reports perhaps you might get from them information desired without bringing all the other men.



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MR. BARNARD: I would like to correct what the Minister said regarding the dredging matter. There have been two investigations in this matter. The first investigation was made at the request of myself. Certain information was given me that did not come from the Auditor General at all, and on the strength of that information I telegraphed the Minister of Public Works, asking him to suspend dredging operations out there and send someone out at once, which he did, sending out Mr. Valiquet. Subsequently, the Auditor General wrote, after some legal proceedings had taken place in Victoria, and Mr. St. Laurent was sent out. There were two investigations and reports. I have not seen either of them, but there are two in the Department on the matter at the present time.

MR. CARVELL: At the same time that the Minister brings down the reports so that we can peruse them, I wonder if we could not have—I do not know just how to describe them—but there are in all dredging operations a number of plans. One would be a general plan where there are borings, a plan showing the different places in which the borings are made. They may be either three, five or ten feet apart.

HON. MR. REID: The general profile.

MR. CARVELL: No, this would be a plan.

HON. MR. REID: The working plan.

MR. CARVELL: I know there is such a thing as a plan, the original plan of surveys showing where the borings are to take place. Then there would be the profile, that is looking at it the other way. Then there is also what they call a key plan. We had it in connection with the Courtenay Bay borings in St. John. If I am not mistaken, Mr. Davy is the same engineer who made the borings in Courtenay Bay. There must also be the daily reports of the inspectors, and I presume there would be the daily reports of the contractors. I know they always have those documents in the office. If these four classes of papers could be brought here for investigation, it might be that we would not find it necessary to bring witnesses from British Columbia at all. However, we can go on and see how far we get.

HON. MR. REID: Mr. Hunter, have you a memo. of these things?

MR. J. B. HUNTER: I have taken a memo.

HON. MR. REID: These can be produced.

MR. HUNTER: Most of them are in Mr. St. Laurent's report.

HON. MR. REID: We will get these, and we will go into them thoroughly here. In the meantime, if you want to examine Mr. St. Laurent or Mr. Davy—

HON. MR. PUGSLEY: There would be no object in examining them until the Committee get the reports.

MR. CARVELL: The reports will be brought here in the custody of some official?

HON. MR. REID: Mr. Hunter will arrange for an hour with Mr. Dubé and Mr. Carvell that will suit.

The Committee proceeded to the consideration of a payment of \$4,072.80 to W. R. McGee, Ottawa, in connection with the Department of Militia and Defence, as set out at page ZZ—29 of the Report of the Auditor General, 1915.

MR. V. V. ROGERS, called, sworn and examined:

*By Mr. Kyte:*

Q. Mr. Rogers, you reside in Ottawa?—A. I do.

Q. What is your business?—A. Real estate and fire insurance.

Q. Where is your office?—A. 136 Bank street.

Q. You have been in business, I suppose, for a considerable number of years?—  
A. Something over 20 years.

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Q. Will you name your employees?—A. Well, really, I have only two employees at the present time on commission, I used to have 15 or 16.

Q. Who are your employees at the present time?—A. S. N. Chipman and R. S. Hubble.

Q. Was W. R. McGee in your employ at any time?—A. Well, he was on commission. They all work that way. They are all on commission.

Q. All your employees work on commission?—A. Yes.

Q. Mr. W. H. McGee was one?—A. Yes.

Q. How long is it since Mr. W. R. McGee has worked for you?—A. Not since last year, when he joined the forces, when he joined the 77th Battalion.

Q. In 1915?—A. In 1915, yes.

Q. Where is he at the present time?—A. Well, I think he is here now.

Q. He is in Ottawa?—A. Yes, he is in Ottawa.

Q. What was the nature of his work in your office?—A. Well, I paid him a commission on any fire insurance or real estate business that he transacted. That is the only business I am interested in.

Q. Was Mr. McGee in your employ in the month of December, 1914?—A. Yes.

Q. What were his office hours?—A. He did not have any office hours. None of my men have any office hours, they work on commission.

Q. Do they have to report at your office daily?—A. No, not particularly.

Q. Are you engaged in any other business but real estate and insurance?—A. Only in the manufacture of brick, in the brick business. Well, I am interested as a shareholder in the Peerless Brick & Tile Company.

Q. When Mr. McGee was in your employ he gave as much time to your business as any of your other employees, I suppose?—A. Well, I could hardly say. He was paid a commission on whatever business he turned in.

Q. Well, from the amount of business he turned in, would you say he was devoting as much time as the others to your business?—A. No, I would not, not from the revenue he derived from it. I have other men that make ten times as much. He did other business besides, looking after the Westport Manufacturing Company.

Q. I beg your pardon?—A. I say he did other business—looking after the Westport Manufacturing Company and other things he was interested in that I had nothing to do with.

Q. What is the Westport Manufacturing Company?—A. That I could not tell you. It is a manufacturing company that his father was interested in; I have no idea what they did.

Q. Where is the place of business of the Westport Manufacturing Company?—A. I think it is in Westport, Ontario.

Q. What part of Ontario is it in, what county?—A. I think it is up on the Rideau lakes, I could not tell you exactly.

Mr. EDWARDS: It is in Leeds County.

The WITNESS: Yes, in Leeds County.

*By Mr. Kyte:*

Q. You say that he inherited the business referred to from his father?—A. No, no, I say that is a business he and his father are interested in; I don't know anything about it.

Q. Do you know what they manufacture?—A. I do not.

Q. You are not engaged in the lumber business, are you?—A. I never sold a dollar's worth of lumber in my life.

Q. No lumbering operations have been carried on on your premises?—A. No, neither directly or indirectly.

Q. Do you know if Mr. McGee has any lumber yard?—A. I could not say, I am sure, not that I ever heard of.

Q. You never knew him to be engaged in the lumber business?—A. No, I did not.

Mr. V. V. ROGERS,

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*By the Chairman:*

Q. You do not know whether the Westport Manufacturing Company is a lumber company or not?—A. I could not say, I don't know anything about it.

Q. Were there any prohibitions against Mr. McGee doing any other business?—A. Not at all. He was only paid a commission on what he did for me.

Q. Then he could engage in any other business he chose?—A. Anything he liked.

Witness discharged.

Mr. W. R. McGEE called, sworn and examined.

*By Mr. Kyte:*

Q. Where is your place of business in Ottawa, Mr. McGee?—A. At the present time, sir?

Q. Yes.—A. Well, I am a soldier now.

Q. Where were you employed in December, 1914?—A. 136 Bank street, Mr. Rogers' office.

Q. What work were you doing?—A. Well, I might be said to be looking after a great many things I was interested in.

Q. Mr. Rogers' business is real estate, I understand?—A. Yes, sir.

Q. You were working for him in the real estate and insurance business?—A. Well, if I might start at the beginning, in 1910 Mr. Rogers was operating on Sparks street. I went to see him at that time, and we had some conversation which resulted in my opening a branch office of his business on Bank street. Until he moved his whole office over there, I think it was last winter, I was operating in that office, he was operating in his office on Sparks street.

Q. You were manager of his Bank street office?—A. Yes, that is what it was

Q. At 136 Bank street?—A. Yes.

Q. Did you sell any lumber to the Department of Militia and Defence in 1914?—A. Yes.

Q. Look over these invoices and see if you recognize them as your bills. (Handing invoices to witness).—A. (After making examination) Yes, those are mine, at least, those I have looked at.

Q. On the 24th day of November, 1914, according to an invoice here, you sold a certain quantity of lumber to the Department of Militia and Defence for \$751.91. The total amount was \$948.63. Is that correct?—A. Yes, it is on the invoice.

Q. On the 16th day of December there is a bill here for lumber amounting to \$133.01. In the month of December again there is a bill amounting to \$541.13. The total amount of the sales to the department was \$4,072.80. Is that correct?—A. Well, I could not say off-hand, but I suppose it is.

Q. You had better look over the accounts (Handing accounts to witness) and tell the committee what was the total amount of lumber you sold.—A. (After making examination) It is correct, sir, yes. I did not check the additions, but it is approximately correct.

Q. The total amount of your sales was \$4,072.80? Will you go over these invoices and tell me what kinds of lumber you supplied to the department?—A. It is marked on the invoices here, do you wish me to read it?

Q. Generally, what kind of lumber was it?—A. It was mostly pine.

Q. Rough or dressed?—A. Dressed in some cases, rough in others.

Q. And what are the prices?—A. The prices are on the margin here.

Q. Will you please state to the committee what the prices were?—A. \$27.50 for dressed and \$26.50 for rough, according to the invoice; of course it varies with the length.

Mr. W. R. McGEE.



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Q. Do you not find that you charged \$31.50 for some?—A. Yes, that is what is known as pine flooring, such as is used on floors.

Q. What are the dimensions of the lumber you sold to the Department of Militia? Take the first invoice?—A. 3 x 8 by 14 and 16.

Q. Would that be dressed or rough?—A. That is marked "dressed" here.

Q. And what is the price of that?—A. \$27.50.

Q. Looking over the invoices now, will you tell us generally what was the quality of the lumber and the price?—A. The quality of course was the very best unless they asked for something else.

Q. I mean will you tell us whether it was spruce or pine and dressed or rough?—A. Well, it is pine in a great many cases, and in some cases it is marked spruce.

Q. Is it not spruce in a great many cases?—A. It is spruce in some cases, yes.

Q. And pine?—A. Spruce and pine.

Q. Is there any difference in the price?—A. The spruce is the same in this, it is all twenty-five here.

Q. Twenty-five what?—A. \$25.00 per thousand feet for spruce, at least in this invoice I am looking at now.

Q. Where was this lumber delivered?—A. Mostly at Lansdowne Park.

Q. It was delivered there by yourself, was it?—A. Yes.

Q. Where did you get this lumber?—A. I get it where I can, you see, well, in 1912 I became interested in two companies in Westport with another gentleman; one is called the Westport Manufacturing and Plating Company, and the other the Westport Woodworking Company. As the names indicate, one company was manufacturing iron, brass, and metals and plating them, and the other was a woodworking factory. My home was in Ottawa and the man who was in partnership with me lived in Westport.

Q. Who is he?—A. Mr. Whiteher. Naturally I was looking for business, so I got after it wherever I could, and in some cases some of the lumber delivered came from there, and in other cases the request was for delivery in so short a time that I had to get it in Ottawa.

Q. How much of that lumber came from the Westport Manufacturing Company?—A. I should say the majority of this didn't come from there.

Q. That does not answer my question exactly.—A. How much of it did come from there?

Q. Yes.—A. (After examining invoices) I do not see any items in these invoices that came from there.

Q. Then none of that lumber came from the Westport Company?—A. I do not see any lumber here that I can recollect as having brought from Westport.

Q. Where did it come from?—A. It came from firms in town here.

Q. Will you please give us the names of the firms?—A. The McAuliffe-Davis Lumber Company.

Q. That is you bought some of it from the McAuliffe-Davis Company in Ottawa?—A. Yes.

Q. And then you sold it to the Department of Militia and Defence?—A. Exactly, yes.

Q. Who else did you get lumber from?—A. They are the one firm; I think they are the only firm I recollect for the moment.

Q. You bought all this lumber, if you can recollect rightly, from the McAuliffe-Davis Company?—A. Yes.

Q. And you sold it to the Department of Militia and Defence?—A. Yes.

Q. And you were a middleman as far as this transaction was concerned?—A. Not any more than any other lumber man.

Q. I ask you if you were not the middleman between the Militia Department and the McAuliffe-Davis Company?—A. I would not term it that.

Mr. W. R. McGEE.



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Q. What would you term it?—A. I was not a middleman any more than any other lumber concern; there is no lumber concern that I know of which has absolutely all the material they sell right in their own yard.

Q. Do you keep a lumber yard?—A. We do at Westport.

Q. Do you keep one in Ottawa?—A. No.

Q. Apparently you had none of this lumber in your yard at Westport?—A. I had but there wasn't time to get it here.

Q. What kind of lumber do you keep there?—A. All kinds of lumber; not in large quantities perhaps, but in small quantities. It is not a million dollar concern, and we do not carry very large quantities of lumber but we carry a good deal there.

Q. When did you get the order for the lumber?—A. The order for that came in the nature of a request to tender. I was requested to tender on certain items of lumber.

Q. How was the request made?—A. Sometimes by letter. I would receive a line requesting me to give my best price for certain kinds of lumber, and once or twice the request came by phone.

Q. From whom would that request come?—A. From the Contract Branch of the Militia Department.

Q. From the purchasing agent??—A. Who is the purchasing agent?

Q. Mr. H. W. Brown?—A. I think so, he or some one in his office.

Q. Was that the first intimation you had that you might do business with the Department of Militia and Defence when you received this request from Mr. Brown?—A. The first intimation?

Q. Yes—did you go out looking for business yourself?—A. I did, yes.

Q. Your name was on the patronage list, I suppose?—A. I suppose so.

Q. How did it get there?—A. Well, as I say, when I became interested in these two companies I looked for business—at that time we were doing, I think we were doing some business, or had been, with both the Militia Department and the Post Office Department. For the Militia Department we had made some rifle racks, and there were some other articles containing both plating and woodwork; we made the one article complete at the same time in the two factories, as it were, and naturally I stirred up all the people in these various departments about those things. I found that the name of the Westport Manufacturing and Plating company was not familiar to them, or that they did not keep it in their minds—

Q. That is, the name of the company was not on the patronage list?—A. I think it was on the list, if you call it that, but you can understand that if you did not know where Westport is the name of the Westport Manufacturing and Plating company would imply nothing to you; so I said I had better change that and have it run simply in my own name, as I am pretty well known in the city, and I thought that a person who knew me and knew my business when it was put up to them in that way my name would be more familiar to them than that of the Westport Manufacturing and Plating company.

Q. Who have you in mind when you say that the people might not know your firm, but might know you?—A. All the men who have had to do with purchasing in the various departments.

Q. Who had you to assist you in getting your name on the list in the purchasing departments?—A. I spoke to the local member and asked him.

Q. You say the local member; who is he?—A. Mr. Fripp.

Q. And you asked him to get some business for you?—A. No, I would not put it that way.

Q. What did you speak to him about?—A. I told him I was interested in these two concerns, which were carrying on certain kinds of business, and he asked me to let him know what articles we manufactured, and so on, and I simply wrote him giving him a list of the work we did.

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Q. Did that include this lumber?—A. We were in the lumber business, yes.

Q. Did it include such lumber as is charged for in these accounts against the department?—A. It would if you were to specify them, but I fancy if you were in the lumber business you would tell him that you were in the lumber business, not that you sold pine, spruce, clapboards, etc.

Q. And as a result of that you got this order?—A. As a result of that I got—there are sent out from the various departments very often circular letters saying have you such and such articles, and if so at what price can you supply them.

Q. Were these lists of goods required published in the newspapers, or was the intimation conveyed to you by private letter?—A. You mean as far as I was concerned?

Q. Yes. Did you ever see any notification published in the newspapers?—A. I do not know—I do not go looking up the papers.

Q. The information came to you in a letter from the Department?—A. Yes, as it does to everybody else, I suppose.

Q. Mr. Fripp said he would do this for you, did he?—A. No. As closely as I can recollect I told him just what I was interested in, and subsequently sent to him a letter detailing in it a list of the various businesses, or at least roughly speaking, the various articles which the companies I was interested in could manufacture.

Q. With a view of having it placed before the Department?—A. Certainly.

Q. And it was placed before the Department as far as you know and these orders would be the result?—A. I suppose that would be the assumption.

Q. Do you remember how long before you received this order after you received these requests from the Department?—A. Some of the requests, as you might call them, covering these items, came in the form of a letter, and some were in the nature of a telephone call. You might or you might not, remember that at that time they were turning the Lansdowne Park into a depot for the engineers, and, I presume they were turning lots of other places around the country into depots for the various units, and they were very busy. The officers were running around looking for quarters and I suppose the Department were trying to supply the demand as promptly as possible. In some cases, as I say, I got letters, and in others I was phoned to and asked to put in a tender on "the following articles." Once or twice a list of the articles required was given to me over the phone and on other occasions I had to go up to the Department and put in my tender.

Q. And then you went out and purchased the lumber from the McAuliffe-Davis Lumber Company?—A. Yes, in some cases they stipulated that they wanted it delivered right away, and rather than lose the order by wasting the time to send to Westport for it I purchased it here.

Q. What did you pay McAuliffe-Davis Co., take, for instance, the lumber you charged the Department for at \$27.50 a thousand, what did you pay McAuliffe-Davis Co., for that?—A. There is a regular inter-company, you might call it, commission. If I am in the lumber business and run short of lumber, I might go to another firm, buy it from them, and they would allow me 5 per cent. They might turn to me and do the same thing.

Q. I want to know what you paid McAuliffe-Davis Co., for this particular lumber you charged the Government \$27.50 a thousand for?—A. They allowed me approximately 5 per cent, that is they allowed me 5 per cent discount on any lumber I bought from them, being in the lumber business with them.

Q. At that, you got \$1.25 a thousand?—A. Does it figure out that?

Q. That is the profit that you made through this transaction?—A. Yes.

Q. Now, where did McAuliffe-Davis Co., deliver the lumber?—A. Where did they deliver it?

Q. Yes?—A. They would deliver it at whatever destination I would indicate.

Q. They delivered it at Landsdowne Park?—A. Yes.

Mr. W. R. McGEE.

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Q. When you stated a moment ago that you delivered it at Lansdowne Park, that was not correct?—A. Perhaps I did not understand it in that sense. You were roughly covering the ground.

Q. I think you were covering the transaction with McAuliffe-Davis Co.?—A. I did not see your point.

Q. Did McAuliffe-Davis Co., deliver this lumber at Lansdowne Park without any charge to you?—A. Yes.

*By Mr. Carvell:*

Q. Your 5 per cent was net to you?—A. Exactly, yes.

*By Mr. Kyte:*

Q. How far is the Westport Manufacturing Co., from here?—A. It is on the head of Big Rideau Lake.

Q. How can you get this lumber down to Ottawa in the month of November?—A. By rail.

Q. As a matter of fact, Mr. McGee, did the Westport Lumber Co., have any of this lumber on hand at all?—A. They did.

Q. You are quite sure of that?—A. Reasonably sure.

Q. You were quite sure that some of this lumber that you sold to the Government you obtained from the Westport Co., but after a while you admitted you did not receive any. Are you any more positive about there being this lumber on hand at all?—A. I see you take me up so close. I may not get your question. You asked me exactly what?

Q. Are you sure that the Westport Lumber Co., had any of this lumber at all on hand when you received the order?—A. Positive.

Q. How do you know?—A. Because I was connected with it.

Q. It is a considerable distance from here, is it not?—A. I used to go up there once a month, either myself or my father. We had their reports, I was in connection with them all the time.

Q. This particular class of lumber required was to be had at the Westport Lumber Co.'s yards in the months of November and December, 1914?—A. I would not swear that every single item on that—that I could go up there and place my hand on each, you understand. If you understand, you might go into a store—you might go into Rea's—Rea would not swear that every article a departmental store would have is in his store. He might send out and get it for you.

Q. As a matter of fact, did you not go to McAuliffe-Davis Co., for the lumber because you did not get it from the Westport Lumber Co.?—A. I would not say that was correct. I could not get that much, perhaps, but I could get some of it, and if the demand necessitated of course I would keep a larger supply on hand, keep a supply of lumber on hand to satisfy possible requirements.

Q. When did you become connected with the Westport Lumber Co.?—A. In 1912.

Q. Are you still connected with it?—A. It is out of existence. We failed, as a matter of fact.

Q. When did it go out of existence?—A. The woodworking concern last spring, and the planing company this fall. I might say that of this it is a more or less personal thing—the town of Westport had loaned us some money, and we had some trouble with them about the payment of interest.

Q. When did this trouble begin?—A. We have had trouble with them from the inception of the company.

Q. I suppose that embarrassed you somewhat in carrying on your operations?—A. It did, yes; and finally last fall we told them, we claimed we were \$1,500 shy in this. This has really nothing to do with the transaction, sir, I think it is rather dragging a man's personal affairs into it.

Q. We want to know how prosperous a business this Westport Manufacturing Co., was?—A. It was not very prosperous.



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Q. It was never very prosperous from the start, was it?—A. Well, I might say we never could get working right. Why did you ask that question?

Q. Your business was not as large as you expected it would be when you became interested in it?—A. I see your implication. The implication is—

Q. That is not the object of my question at all. I say they were practically out of business in 1914.

THE CHAIRMAN: The witness did not say that.

MR. KYTE: They were not handling stock in 1914.

THE CHAIRMAN: Ask the witness that question direct.

THE WITNESS: In 1914?

MR. CARVELL: In November and December, 1914.

*By the Chairman:*

Q. A year ago last fall?—A. Yes, we were doing business then.

*By Mr. Kyte:*

Q. You were doing some business, not very much?—A. No.

Q. You were not carrying a very large stock?—A. Some.

Q. Not a very large stock?—A. No.

Q. How much were you carrying?—A. I could not tell without the books. I cannot say. Is it necessary?

*By Mr. Carvell:*

Q. Just approximately?—A. I should say our stock would be between five and six thousand dollars. Our business was never very large at the most, but you understand in business you make a bluff—

*By Mr. Kyte:*

Q. And you made a bluff in this case?—A. —and try to appear bigger than you are.

Q. You were endeavouring to get business from the department?—A. And from everybody else.

Q. And you were prepared to do business with the department as a middleman if you could not do it in any other way?—A. I won't accept that term, no; no more, sir, than any other firm now in the lumber business. If you come to me and buy some lumber from me, and I have not all that lumber, I get it from some lumber concern, depending on how fast you want it. I am not a middleman.

Q. You are a commission man?—A. No, I am a lumber man. Mr. Kyte says an item of four thousand dollars of lumber purchased by the Militia Department under tender, mark you—\$4,000, a small item—

*By Mr. Carvell:*

Q. You don't suppose anybody else tendered on it?—A. I do.

Q. We can get to the department and see?—A. Here we have wasted a good long while on it.

MR. EDWARDS: The witness thinks the department did ask tenders.

THE WITNESS: In some cases I am sure they did, because in some cases I was the unsuccessful tenderer.

*By Mr. Kyte:*

Q. As a matter of fact, Mr. McGee, is it not true that when you got that order you were not in a position to supply it except as a purchaser from another lumber dealer?—A. Well, I could not tell until I got the request for the material how much I could supply.

MR. W. R. MCGEE.



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Q. I understand that very well, but having got it— A. Having got it, and having a list, you might say, or a statement—

*By Mr. Carvell:*

Q. A specification?—A. No, sir, not a specification—having a statement of what we had at Westport, I realized that in its entirety that order could not be filled from Westport. Now, I could not pick out the items that could be filled from Westport, wire them to send it, and get the rest somewhere else, because half the order would be there waiting, and the other half would be there two or three days later.

*By Mr. Kyte:*

Q. How much of it could you supply from Westport, do you know?—A. I did know at that time, because I knew what material we had on hand.

Q. Could you say at the present time?—A. No, I could not, because, practically speaking—and here we go into the personal affairs of myself and father again—we closed down, as I say, last spring, because we were short of money, which happens to most people sometimes

Q. Since you have gone into that, you felt the tightness of money some months before last spring?—A. We never had much capital. My manager up there told me what he should have, that we should have a larger stock at all times. Well, I considered that as of less importance than the manufacturing business, because I believed at that time, and I believe yet, that, properly run, there were great opportunities. We could manufacture many articles which it was possible to turn out in this country, and in that way you see could get in lower than American, German or English firms.

Q. In what lines?—A. I am speaking now of the Plating Company which manufactures brass and steel and iron plates. I believed that what little money I had at my disposal, or could get hold of, would be more advantageously placed in this manufacturing and plating company than in the wood-working company. This wood-working company, you understand, had been in existence for 20 years. We—that is the manufacturing and plating company—took it over about 3 years ago. My connection with the manufacturing and plating company, in fact the whole concern, dates from 1912. At that time I was recovering from a siege of typhoid fever, and am afraid my brain was not working as well as it might.

MR. CARVELL: All this is very interesting but not exactly to the point.

THE CHAIRMAN: It is as relevant, witness, as some of the other things that have been asked you.

*By Mr. Carvell:*

Q. From what source did the woodworking company obtain its supply of raw material?—A. We bought from—there is a firm in Brockville, I just forget the name now—we got some of our raw material from another man who was up higher on the lakes. He has a little sawmill for sawing logs. He would send us the timbers, you see, when we wanted his goods. When we wanted the dressed material we could send to Brockville for it if we did not have it on hand. There were some little houses being built in the village, and we had the contracts for them, and any stock we could not get we sent for.

Q. Then you did not manufacture your own material from the log; you were not a sawmill manufacturer?—A. We ran a planing mill, sir.

Q. And you bought the sawed lumber from different places and brought it to your planing mill?—A. Yes, we worked it into various things. I mean to say we could manufacture things, cupboards, and so forth.

Q. You had no sawmill of your own?—A. No, it was a planing mill.

Q. We all know something about the lumber business. I have had a little experience myself. You did not take the round log in your planing mill and saw it up into planks, boards, joists, and such things as that, did you?—A. No, we could not do that. We cannot saw the log.

Mr. W. R. MCGEE.

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Q. Take such lumber as is dealt with in these invoices. Take the first one, where we find 98 pieces of 2 x 8 and 14 x 16. They were not planed, but rough stock?—A. No, it is not dressed, it is rough.

Q. If you wanted stock of that kind in your planing mill you would go to some sawmill owner and purchase it, or some lumber dealer?—A. Of course.

Q. Then you don't purchase the ordinary rough stock that goes into your business at Westport?—A. No, we can dress lumber; we don't saw it.

Q. Well, you are like probably ninety-nine per cent of the planing mills in the country?—A. Possibly.

Q. You buy your stock from the men who produce it? Have you ever sold any rough lumber in Ottawa before?—A. Any rough lumber?

Q. Yes, rough lumber like what I have described to you?—A. No, no rough lumber.

*By Mr. Green:*

Q. Did, or did not, your connection with the Westport Planing mill put you in the position of getting the ordinary trade discount?—A. Yes, sir, that is what I explained.

Q. It put you in the position of getting the order and the ordinary trade discount?—A. Yes, sir.

Q. That is all you did get?—A. Yes, sir.

*By Mr. Carvell:*

Q. Did you have any arrangement made with the McAuliffe-Davis Company as to purchasing this lumber from them before you got the orders from the Department?—A. No.

Q. You went to them after you got the orders in every case?—A. Yes. I might say to that, the secretary of the lumber company is a very good personal friend of mine, and we discussed many things—social and otherwise. Seeing that we are held so closely to the line I cannot say absolutely what my conversation has been with him during the years that I have known him.

Q. It may be possible that you discussed this matter with him before you got the orders?—A. I would not say positively that I did.

Q. However, your impression is that you did?—A. No, I do not think it is.

*By the Chairman:*

Q. I notice that your letter heads describe you as a wholesale and retail dealer?—A. Yes, sir.

Q. How long have you been doing business as a wholesale and retail lumber merchant?—A. Well, as I told Mr. Kyte, sir, when I found that they were—

Q. Just state shortly how long you have been doing business as a wholesale and retail lumber merchant?—A. Since my connection with the Westport Company.

Q. How long is that?—A. Since 1912, in the fall.

Q. Two years before you got an order for any of those goods?—A. Yes, sir.

Q. How long has your father been in the lumber business before you?—A. He has never been in the lumber business. My father lent me some money and became interested in that way.

Q. You are a nephew of D'Arcy McGee?—A. Yes, sir.

Q. Is 5 per cent the ordinary trade discount for the sale of lumber?—A. It is the usual trade discount.

Q. If you were selling lumber such as that to a private individual, would you ordinarily receive 5 per cent trade discount?—A. Yes.

Q. All you got out of the transaction was the usual 5 per cent trade discount?—A. Yes.

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Q. And you received your contract after an invitation to tender in the usual way?—  
A. Yes.

Q. Do you know of other persons who received invitations to tender at the same time?—A. I think I can name them. Yes, sir, I think I know them.

Q. About how many, to your knowledge?—A. I know of two others.

Q. You know of two others?—A. Yes, sir.

Q. Have you upon other occasions tendered in pursuance of these invitations, when you did not receive a contract?—A. I have, yes.

Q. Was your tender too high?—A. I suppose I was too high.

Q. The prices at which you tendered were: 27½ cents for dressed lumber, 26 for rough, 31 for pine flooring, and 25 for spruce? Do you consider these prices reasonable or not?—A. That is a fairly low price.

Q. Have you sold for as much to private parties?—A. Yes.

Q. When?—A. Throughout my operations. I could not just say exactly. There are so many different grades of lumber and so many different lengths.

Q. I am speaking of the particular kind that is he                   ?—A. That particular kind? I have often sold for higher than that.

Q. To private parties?—A. Yes.

Q. Within what time?—A. Within the operations of my own business. Since I have been in the lumber business.

Q. Since 1912?—A. Yes.

Q. This transaction would not net you more than \$200 altogether?—A. Yes, it amounts to \$200.

Q. That is all you get out of it altogether?—A. Yes.

Q. And that is the usual trade discount?—A. Yes.

*By Mr. Kyte:*

Q. I notice your letterheads or accounts are addressed from 136 Bank Street?—  
A. Yes, sir.

Q. That is the address of Mr. Roger's real estate office, is it not?—A. Yes, and myself.

*By Mr. McKenzie:*

Q. When you tendered, Mr. McGee, for this lot of lumber, did you figure on getting the material at Ottawa, or getting it at Westport? Is that the name of your town?—A. Yes, sir, Westport.

Q. The transaction is past. You figured and sent in your tender. Now, did you figure on getting your lumber here or at Westport?—A. If I could not get it at Westport, wherever was most convenient. I mean to say, we are all out to make money, and if I thought I could do better by buying it here I would buy it here.

Q. Can the Westport lumbermen compete with the Ottawa lumbermen? In the open market at Ottawa?—A. Yes, but not in every respect.

Q. In this particular respect?—A. In some of these things we might have been able to, because labour is cheaper up there, living is cheaper and sometimes, you see, up there there are a lot of little fellows with sawmills round the country, and they will bring in, they will come in in the spring and tell you they have a certain amount of lumber on hand and they are probably going to build a house and they will trade you this lumber for the material you have, such as sashes, doors and blinds that go into the building of houses. Sometimes you can strike a pretty good bargain that way.

Q. When you were figuring out your tender what did you think you could buy it for, supposing you had it get it from Westport?—A. In actual dollars do you mean?

Q. Yes.—A. I could not tell you off-hand.

Q. At what price per thousand did you figure you could get this lumber for at Westport?—A. That would depend a good deal you know—

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Q. But this is a transaction that is past, and that you put through. You sat down and figured out your tender. Now, I am asking you what were you basing your calculations on?—A. Of course I knew approximately what I could buy lumber at round town, and—

Q. Did you base your figures on the price of lumber at Westport or the price of lumber in Ottawa?—A. Well, the figures would be more or less the same in some cases.

Q. What would you have to figure on at Westport that you would not have to figure on in Ottawa?—A. I beg your pardon.

Q. You would have extra expenses in connection with getting lumber from Westport that would not enter into the calculation if you were getting your lumber at Ottawa. What would they be?—A. Well, of course there would be freight for one thing.

Q. Cartage at both ends, I suppose?—A. Yes.

Q. And freight Did you take that into account when you put in your tender?—A. Well, of course you would have to figure what the lumber was costing you before you could tender. Or, what it was you could sell it for? Is that what you mean?

Q. Yes. Did you figure out the difference between the two? Did you figure out the advantage of the Ottawa lumber over the Westport lumber in the matter of delivery?—A. Oh, certainly. Yes, I have to figure that out.

Q. Did you before you put in your tender?—A. Yes, I know, at least I knew at the time, what it would cost, to bring lumber from Westport and approximately what I could buy it for in Ottawa, and I tendered accordingly.

Q. What is the freight per thousand on pine from Westport to Ottawa?—A. I could not tell you that now.

Q. What is that?—A. I am out of it some time now, and think of other things.

Q. You could not tell us, I suppose, what the cartage would be at the other end per thousand of lumber?—A. We had our own rigs up there.

Q. But you would have to buy from somebody else, you did not have this lumber yourself at Westport?—A. If we did not have it we would have to bring it to the rails and put it on.

Q. And you are not in a position to tell us whether you figured your tender on Ottawa or Westport prices?—A. In a great many cases I would figure on the Ottawa prices.

Witness discharged.

Committee adjourned.

HOUSE OF COMMONS,

COMMITTEE ROOM No. 301.

WEDNESDAY, March 1, 1916.

The Committee met at eleven o'clock, a.m., Mr. Middlebro presiding.

Mr. JOHN AUGUSTINE McCANN, Assistant Director of Contracts, called, sworn and examined.

*By Mr. Kyte:*

Q. You are an official of the Purchasing Department of Militia and Defence?—A. Yes.

Q. We are investigating payments amounting to \$4,072.80 to W. R. McGee for lumber, have you the papers in connection with that transaction?—A. They are all here, sir.

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Q. Would you please turn up the fyle and read to the Committee the first record you have of the transaction?—A. On the 15th November, 1914, Major Bogart, who was the officer in charge of the mobilization of engineers here, sent forward a requisition for lumber which he required for use at Lansdowne Park in connection with the mobilization of two field companies and a signal company. The estimate made of the lumber and other supplies was \$1,200. He put in a service requisition for it and we called for tenders for 13,500 feet of lumber.

Q. You say you called for tenders?—A. Yes.

Q. Will you please tell the Committee what you did when you called for tenders?—A. We called up three or four firms in town.

Q. Will you please name them?—A. Geo. M. Mason, Limited, the Estate of the late James Davidson, W. R. McGee, and the firm of Gilmour & Company. I am speaking now about the Gilmour Company from my recollection, there is nothing on the fyle to show that, but my recollection is that we called for tenders from four of them and received tenders from the first three I have named.

Q. How did you come to call for tenders from those four firms?—A. We had a list of manufacturers and dealers in lumber and we took those four firms from that list. The lumber was wanted in a hurry, I think it was for immediate delivery.

Q. Where is that list?—A. Which list?

Q. You say you have a list of lumber dealers from which you took those names?—A. That is in the Department.

Q. In what branch?—A. The Contract Branch.

Q. Mr. Brown has that list, has he?—A. Mr. Brown has that.

Q. You did not bring that list?—A. No.

Q. It is a large list, I suppose?—A. A pretty long list.

Q. It is a long list, you say; how was it you selected those four names?—A. The lumber was wanted immediately at Lansdowne Park.

Q. Were the names of any other lumber dealers in Ottawa upon that list?—A. Yes, a great many.

Q. I want to know why it was you limited your request for tenders to those four firms?—A. There were only 11,400 feet of lumber required altogether—

Q. That is not an answer to my question?—A. I had not quite finished. We had before that gone to several dealers, large dealers and manufacturers like Booth and Edwards and they did not quote for small quantities, so we confined ourselves to these parties.

Q. Did you go to the McAuliffe-Davis Company?—A. No, we did not.

Q. You knew that firm, did you?—A. I knew them, yes, but their name was not on the list.

Q. Then this list does not contain all the lumber dealers in Ottawa?—A. No, at least, I suppose it does not. I know it did not contain the name of that firm.

Q. Who made out that list?—A. It was a list of names that had been sent in to the Department from time to time since, I should say, about four years.

*By Mr. Carvell:*

Q. Since October, 1911, I presume?—No answer.

*By Mr. Kyte:*

Q. Who sent in the names for that list?—A. The names are sent in from time to time from people outside: Members of Parliament send in some names and others.

Q. Well, the names of the lumber dealers in Ottawa, I presume, came from the Member for Ottawa—you can tell us that without disclosing any family secrets, I suppose?—A. I could not say positively, I presume it did, from one of the Members.

Q. Then you have a patronage list in the Department?—A. I do not know that we have now.

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Q. But at that time you had?—A. At that time we had, but I do not know about it now. We have had one for a great many years, since away back in 1896.

Q. You say you sent this request for tenders to these four firms?—A. I telephoned it.

*By Mr. Blain:*

Q. Is that a new set of conditions, to have a list of that kind?

The CHAIRMAN: The witness says it has been the practice since 1896.

*By Mr. Barnard:*

Q. Was it the first time you had this list in 1896?—A. I fancy not, I would not like to say authoritatively.

*By Mr. Kyte:*

Q. Did you have any personal knowledge that Mr. McGee was in the lumber business?—A. Well, his name was on the list.

Q. That was the only knowledge you had?—A. Yes.

Q. And you sent notification to these four to send in tenders?—A. No sir, I called them up by telephone, and asked them to give quotations.

Q. You sent out no circulars?—A. No.

Q. Have you any record of the quotations that were given?—A. I have them here sir.

Q. Please read them to the Committee?—A. (Reads): George M. Mason, Limited, quoted \$35 per thousand for white pine and \$28 per thousand for red pine. The Estate of James Davidson—

Q. What quotations did you get from Mason, Limited, for spruce?—A. We did not ask for quotations on spruce, there was none of it required in this first lot. The Estate of James Davidson quoted \$35 per thousand for white pine, there was no quotation for red pine.

*By Mr. Carvell:*

Q. You say that is for white pine?—A. For white pine.

Q. Of what class?—A. I am not an expert on lumber; it was pine such as was needed for the work out at the Exhibition Grounds.

*By Mr. Boys:*

Q. That would be rough lumber, would it?—A. I can tell you—It was to be dressed on four sides. And Mr. McGee quoted \$27.50 per thousand for pine.

*By Mr. Kyte:*

Q. For white pine?—A. It doesn't say "white" or "red".

Q. Just \$27.50 per thousand?—A. Yes.

Q. Those are the quotations.

Q. And what was the quotation from the Gilmour Company?—A. They did not quote. Mr. McGee's quotation being the lowest, was recommended for acceptance, and was accepted on the 10th day of November.

Q. What was the amount of that order?—A. 13,500 feet at \$27.50.

Q. The amount is not worked out there?—A. No, the item is not extended. There may have been a few feet more or a few feet less delivered.

Q. When was the next order requisitioned?—A. On the 12th day of November, Major Bogart sent in a Minute as follows:

"With reference to my letter of the 9th inst. on the above subject, I have the honour to request that the Director of Contracts be asked to request the contractor  
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now supplying lumber to the Exhibition Grounds to supply the following additional lumber at Lansdowne Park," and he asked for 2,000 feet B.M., 2 by 4 by 16 feet long, dressed on four sides and 2,000 feet more of 1 by 18 by 14 feet and up, tongued and grooved and dressed one side. That was ordered from the same contractor at the same price.

Q. You had not asked for quotations on that class of lumber before?—A. It was furnished at the same price. The first order was for 2 by 8 by 14, dressed on four sides, which is the same price, simply a difference in the dimensions.

Q. And that order was given direct to Mr. McGee?—A. Direct to Mr. McGee, a repeat order.

Q. For 4,000 feet?—A. 4,000 feet.

Q. And the next order?—A. On the 13th Major Bogart asked for 3,000 feet B.M. of 2 by 4 by 13, and 8,000 feet B.M. of 1 by 8 by 13, white pine, the first 3,000 feet rough, the second lot dressed on one side and both edges and he says: "I beg to request that the contractor who is furnishing lumber at the Exhibition Grounds be asked to supply the following quantities." We asked Mr. McGee—from what I can see here he was asked what the price of the 3,000 feet would be and \$31.50 was quoted for that.

Q. For rough lumber?—A. For rough white pine.

Q. Did you not have a quotation from him for white pine at \$27.50?—A. No, sir. I told you he quoted simply for "pine," and that was the lowest tender.

Q. You asked him for a quotation on white pine and on red pine, did you not?—A. No, we did not. We asked for a quotation on pine lumber. One firm quoted for both white pine and red pine, \$35 and \$28. Another firm quoted for white only, and Mr. McGee quoted for pine. His quotation for pine was lower than was Mason's, even for red pine; Mason Limited quoted \$28 for red pine.

Q. You say you got a quotation from McGee for pine at \$27.50?—A. Yes.

Q. And you gave him an order for pine for which he charged \$31?—A. Yes.

*By Mr. Morphy:*

Q. What kind of pine?—A. White pine.

*By Mr. Kyte:*

Q. Pine includes white pine and red pine?—A. It does, sir, and his quotation for the first lot was the lowest.

Q. But when you did give him an order for white pine he charged \$31?—A. We got a price from him before giving him the order and his price was \$31.50.

Q. So you gave him an order for 3,000 feet of white pine at \$31.50?—A. Well, pardon me, I see that the order was given—this is the requisition I have been looking at—I see that the order for that was given at \$26.50 per thousand.

Q. For what?—A. For the rough pine, 3,000 feet.

*By the Chairman:*

Q. And what was the competing price?—A. I do not know that we had any competing price for rough pine. You will please observe that these requisitions were coming in every day for the material they required for that day.

*By Mr. Kyte:*

Q. And you also gave him an order on the same day at \$27.50?—A. Yes, for dressed on one side and both edges. On the 17th of November Major Bogart again asked for 2,000 feet of white pine, 2 by 4 by 14, and for 1,000 feet of white pine 2 by 4 by 13. This order, apparently, was given, according to the note on the margin here, direct from Major Bogart's office because I have a note on the paper here, "telephoned order to McGee at 11.20 a.m."

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Q. And he supplied that order at the same price?—A. At \$27.50 and \$26.50. I see noted here against the item. On the 20th of November Major Bogart again asked that the contractor supplying lumber should be given an order for 2,400 feet of white pine dressed on one side and two edges.

Q. Was that in accordance with the specifications first submitted to Mr. McGee when he first quoted on lumber; that class of lumber?—A. That class of lumber, yes—well he was told pine, but this is specified as white pine.

Q. And he supplied that at what price?—A. I fancy, sir, that order was telephoned over. I have not the price here, but the accounts will show; you have the accounts here, have you not?

Q. You haven't them here?—A. No, I have not the invoices.

Q. Well, Mr. McCann, there are the invoices, you might turn it up (Auditor General's file handed to witness).—A. (After examining invoices) I am afraid that I cannot dig it up from these invoices; apparently he has been charging for the loads as delivered and I could not identify the different loads.

Q. The entries are not kept separate in these different invoices?—A. No, the prices are all here, \$27.50 and \$26.50.

Q. Well, give us the next order that was given.—A. On the same day, Major Bogart—

Q. November 20?—A. Yes—asked for another 3,000 feet of lumber.

Q. What kind was specified?—A. It is not in his minute. An order was given on the 23rd November for 2,000 feet of white pine, 2" x 4" x 14 feet, dressed lumber, at \$27.50, and 1,000 feet 2" x 4" x 13 feet, B.M., at \$26.50. On the first of December, Col. Maunsell asked that 6,000 feet of white pine be ordered from the contractor.

Q. For the same work?—A. He simply says for the purpose of erecting tables and benches to accommodate 500 men. Now, that was put in on the 1st December. It came over—apparently it was a rush thing, because the order was phoned to Mr. McGee at ten minutes past twelve, delivery to be made immediately after one o'clock.

Q. What price was charged for that?—A. So far as I can see \$27.50, sir, it was all dressed lumber; it is dressed on one side and both edges, and dressed on both sides and both edges some of it.

Q. What date was that?—A. 1st December.

Q. There does not seem to be any bill rendered here at that date?—A. Possibly, it would not be for that.

Q. There is an invoice of November 24, then there is one of December 16?—A. Of course. I do not know when he would put in his invoices.

Q. Well, what is the next, Mr. McCann?—A. On the 2nd December, Major Bogart asked that Mr. McGee should be requested to send in 7,599 feet B.M. of pine, 2" x 8" x 16 feet, dressed four sides, that is the two sides and the two edges; and that order was given verbally on the following day at \$27.50.

Q. Mr. McCann, I see on December 11 there is an account rendered by Mr. McGee for pine at \$29.50?—A. There may be some of that, sir. I think that possibly for the tables a better quality of pine was supplied. I could not tell. Major Bogart now would be the one to tell that.

Q. Quotations were not asked for for that class?—A. In every case Major Bogart or Colonel Maunsell asked that this should be ordered immediately from the contractor at the time.

Q. You had no quotations from anybody for this class of lumber?—A. We had for the dressed lumber at \$35 per 1,000 feet.

Q. Did you have any from McGee?—A. We had the quotation at \$27.50 for the one kind.

Q. I see also that there is an order given for \$31?—A. That would probably be flooring, sir.

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Q. Did you know where Mr. McGee was getting this lumber from?—A. I did not.

Q. You did not know whether he was supplying it himself or purchasing it from another dealer?—A. The firm name he was under, if I remember right, was the Westport Lumber Co. He had a mill he gave us to understand.

Q. He gave you to understand?—A. Well, yes, he told me that himself.

Q. You had some conversation with Mr. McGee with regard to this?—A. Probably over the phone, sir, when we were calling for tenders, we would want to know about the deliveries. At that time the deliveries had to be made, practically, they would ask for the lumber the day after they would want it.

*By Mr. Morphy:*

Q. Is it the practice in your department to ask business men, over the phone, to furnish prices?—A. Not when we have any time to call tenders in writing, sir.

Q. Why did you do it in this case?—A. We had no time, sir, they wanted that lumber immediately.

Q. Why?—A. Of course, I cannot tell you that; I can only surmise that the Engineers out at Lansdowne Park—possibly you know the situation as well as I do.

Q. Was this lumber required to build a shelter or conveniences for the soldiers?—A. Certainly, sir.

Q. It was ordered in jags?—A. Odds and ends, sometimes.

Q. And each "odds and ends" would require to have a special delivery?—A. I do not know, I suppose it would—will you pardon me? I notice here that, I think it was the 20th of November, we had either two or three requisitions from Major Bogart. The moment the requisition would come in we would telephone and have the lumber delivered. In one case they were called up at twelve forty, and they agreed to have the lumber out there at one o'clock.

Q. Whoever furnished that lumber would have an expensive cartage attention to give to it?—A. Yes, and he gave most excellent service, so far as I know.

Q. And you say, so far as the original tenders were concerned, that Mr. McGee's was the lowest?—A. Yes.

*By Mr. Bennett (Simcoe):*

Q. Mr. McCann, is not the the Davidson concern the largest planing mill there is in town, or one of the largest?—A. One of the largest.

Q. And the Mason concern is also a large one?—A. A very large concern. I should venture to say that McAuliffe Davis, Davidson, and Mason are about the largest in the city.

Q. Davidson's is the big concern near the C. P. R. station?—A. Yes.

*By the Chairman:*

Q. The result of your work was that you called for tenders from these four people?—A. Yes.

Q. And you got tenders from three, and McGee, the successful tenderer, was from \$7.50 to \$8.50 less than the others?—A. For white pine, sir. We were quoted \$28, sir, for red pine.

Q. But averaging it up, there would be a difference probably of \$7 per 1,000?—A. We thought we were buying it fairly well, sir.

Q. There is an average of \$7.50 per 1,000—

MR. CARVELL: That would hardly be a fair thing on both kinds. That would be for white pine.

MR. KYTE: There are invoices at \$31.50 per 1,000.

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*By the Chairman:*

Q. You got tenders from Mason and Davidson of \$35?—A. Yes.

Q. For the corresponding lumber, what was McGee's tender?—A. So far as I can see, \$27.50.

Q. A difference of \$7.50. How much of that did you buy?—A. I could not tell you offhand, sir.

Q. Do the accounts show the greater part of that whole contract to be that lumber?—A. The records should say.

Q. We are speaking from the records. On an average of \$7.50 per 1,000, that would be about one-fifth saved?—A. Yes.

Q. And one-fifth of \$4,000 would be \$800. So you saved about \$300 by accepting the lowest tender?—A. Yes, I suppose.

*By Mr. Carvell:*

Q. What proportion of the lumber furnished in this contract was white pine?—A. I could not tell you.

Q. It would have to be all white pine to produce the deductions of the Chairman?—A. They had asked for white pine, and so far as I know, they got it; but I do not know.

THE CHAIRMAN: The figures show you it is.

*By Mr. Kyle:*

Q. Taking into account that some lumber is charged at \$31.50 the difference in the quotation McGee gave—that is the reduction in the quotation that McGee gave—is not equal to the amount the Chairman said?—A. It would not be quite so much.

*By the Chairman:*

Q. That invoice was for tongued and grooved flooring?—A. Exactly.

Witness discharged.

Mr. H. W. BROWN, Director of Contracts, called, sworn and examined.

*By Mr. Kyle:*

Q. Mr. Brown, you are Director of Contracts?—A. Yes.

Q. Do you remember the purchasing of lumber from Mr. W. R. McGee?—A. Yes.

Q. How did you come to get his name as a lumber dealer?—A. I think he was on the list, the Departmental purchasing list.

Q. Have you the list with you?—A. No, I have not; it is a card index list; I have not got it here.

Q. How long has his name been on the list?—A. I could not say. I can give you the date later on, I could not tell you from memory.

Q. Three years ago?—A. I could not tell you, I could either get it to you later, or I could telephone for it.

Q. Mr. McCann said about four years?—A. I have not any idea, I could not tell you. The date is given there and I could get it for you by telephone in ten minutes.

Q. Who made up the present patronage list you have?—A. The list would consist of names which were sent up to me from the Minister, and it is a list that has been made, that has been in existence many years.

*By Mr. Morphy:*

Q. How many?—A. Many years.

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*By Mr. Kyte:*

Q. This particular list?—A. This particular list I suppose it is about four years old.

Q. Did anybody but the Minister suggest names to be placed on the list?—A. Well, the rule was that the names sent to me from the Minister's office would be put on the list. Of course, in some cases we might know the source from which that name came, that is to the Minister's office; and in other cases we might not. It might be one individual, it might be another; but I was to take my instructions from the Minister, the Minister's office, as to this purchasing list.

Q. Without having the list before you, you could not recall any names that came to you except through the Minister?—A. No.

Q. I think you said that members sometimes suggest names?—A. Oh, yes.

Q. Can you say that any member of Parliament suggested Mr. McGee's name?—A. Possibly, I do not know.

Q. If you do not know—A. I can find out and let you know.

Q. That is all the evidence you can give now.

*By Mr. Sinclair:*

Q. You could produce that list, I suppose it is in writing?—A. It is a card index list, it is not on paper; but I could produce the card containing Mr. McGee's name, and I could produce, I dare say, the written instructions to add his name on the card.

Q. Does it cover other lines as well as lumber?—A. Well, I could not tell you from memory, because there are a good many names come in, a good many names on this list. I could not tell you offhand.

Q. Is the Ottawa list kept separate in a card index by itself?—A. No.

Q. The card index that you refer to includes the whole military list for the Department?—A. Yes.

Q. It is a very large list?—A. Yes.

Q. And they all come from the Minister?—A. Well, that is the rule.

Q. Practically all?—A. That is the rule. There may be some names put on by others, but I think that is the general practice. It would be a very exceptional case if it did not come from the Minister's office.

*By Mr. Boys:*

Q. How long have you been in the Department?—A. About 20 years.

Q. What positions have you held during that time?—A. I was private secretary to the Minister for 8 years, and since that I have been Director of Contracts.

Q. During 20 years you have been in a position to know what has been the method in vogue regarding the patronage list?—A. Well, I had not very much to do with the patronage list while I was private secretary.

Q. For how many years did you have anything to do with it?—A. I have been Director of Contracts for 12 years.

Q. You described the system that was in vogue apparently when Mr. McGee was put upon the patronage list?—A. Yes.

Q. Has the method of putting names upon the patronage list varied within the last 12 years?—A. No, I do not think it has very much.

Q. Prior to 1911 was there a patronage list, or is this a new creation?—A. There was a patronage list before 1911.

Q. Have you any idea how names got on the patronage list in those days?—A. Generally speaking, very much the same way.

Q. If there is any difference I would like you to point it out. Perhaps there was greater activity displayed before 1911?—A. I do not know that there was any difference. Possibly since 1911 the names more uniformly come from the Minister's office, while formerly they may have come direct from Members of Parliament. I am not sure.

Q. Beyond that feature you think there is no other difference?—A. No.

Mr. H. W. BROWN.

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*By Mr. Sinclair:*

Q. Has the list increased in size?—A. I could not say that positively, I should think it had very much.

*By Mr. Barnard:*

Q. The business has increased very considerably?—A. Yes.

*By Mr. Sinclair:*

Q. Have you preserved the old patronage list?—A. No.

Q. Would you have any objection to bringing the list here so that the Committee could see it?—A. I could have the cabinet containing the cards brought here. It is a card index cabinet.

*By the Chairman:*

Q. Please bring all the cards in connection with this item.—A. You want all the names on the list.

*By Mr. Morphy:*

Q. How far back does this patronage list go?—A. Four years.

Q. I mean the old patronage list. Is it still there?—A. No.

Q. What became of it?—A. It was destroyed.

Q. Who destroyed it?—A. I think I destroyed it, very likely.

Q. Under whose instructions?—A. By the instructions of the Deputy Minister.

*By Mr. Boys:*

Q. The Deputy Minister of what department?—A. The Department of Militia.

*By Mr. Barnard:*

Q. When would that be, Mr. Brown?—A. Some time in the fall of 1911.

Q. Prior to swearing in of the new Government?—A. I could not tell you

Q. At any rate, pretty close to that time?—A. Yes.

*By Mr. Carvell:*

Q. The important thing I would like to know is, have you a patronage list now?—A. Yes.

Q. Does the same list exist which you have had for four years?—A. Yes. Well, not the same list, new names have been added from time to time.

Q. It is a continuation of the same list?—A. Yes.

Q. And you have had it for four years?—A. Yes.

Q. Then there has been no change since our discussions in the Public Accounts Committee a year ago?—A. No.

*By Mr. Michaud:*

Q. You have names on that list of persons from all over Canada, I presume?—A. Yes.

Q. Do you often call for tenders, or just simply write to the parties asking what their price is for the articles needed?—A. The custom has been to get tenders for the most part, except for food supplies, to get tenders by circular letter.

*By Mr. Carvell:*

Q. Addressed to whom?—A. Addressed to so and so.

*By Mr. Michaud:*

Q. Addressed to all the firms you have on your list?—A. It might be to all the firms on the list, or it might not be the very same. It might be there are cases when the list has not been regarded at all.

Mr. H. W. BROWN.



## APPENDIX No. 1

*By Mr. Carvell:*

Q. This is a pretty important matter. I would like to ask one question referring to a matter which I think the Committee would like to have information: when it comes to furnishing supplies for troops—it may be lumber, it may be food, it may be anything else—required in the different cities and towns in Canada, do you purchase them by simply sending out a circular letter to these people who are on the patronage list in the particular locality?—A. Well, the procedure varies rather according to the circumstances. Where we had very little time we did not bother to go outside the locality at all. In some cases, in fact, speaking generally, for all the food supplies tenders were asked for publicly, that is by poster.

*By Mr. Barnard:*

Q. By advertisement?—A. By advertisement, yes.

*By Mr. Boys:*

Q. You suggested that in purchasing various supplies such as Mr. Carvell has referred to, the patronage list, and that alone, is resorted to.—A. Well, as I say—

Q. If you do not mind, could you answer that question in its present form? Do I understand you to leave the impression, or do you desire to leave the impression, that in the purchase of supplies such as Mr. Carvell has mentioned, we are speaking now aside from lumber, that the patronage list is alone resorted to to get names?—A. What supplies?

Q. For instance, meat or groceries for the troops stationed at various places in Canada?—A. That is why I hesitated, because the practice varies in different places. For food supplies we get tenders publicly.

*By Mr. Carvell:*

Q. Would you like to say that the food supplies in the town of Woodstock, New Brunswick, where there are over 500 troops, were bought by public tender?—A. When, Mr. Carvell?

Q. In the month of November or December last?—A. Well, I could not say about that, Mr. Carvell, because—

Q. Would you like to say the furnishing of supplies in the city of St. John, where there are from three to five thousand troops, was done by public tender?—A. The list that I have been asked about now, did not apply after the 1st of May last. After the War Purchasing Commission took charge they did not follow that list at all.

Q. Does the War Purchasing Commission supply groceries and meat to the troops?—A. They make the contracts, yes.

Q. You have nothing to do with that?—A. Oh yes. I mean to say all purchases made by me since the 1st of May have been made by the authority and under the direction of the War Purchasing Commission.

Q. When you do that to what class of people do you apply?—A. Do you mean since last May?—A. Yes.—A. Well, I take instructions from the War Purchasing Commission.

Q. You have told us that already. When you get the instructions from the War Purchasing Committee, to whom do you apply for the goods?—A. The reason I could not say positively is because I don't know what the instructions were last November and December. I can find that out for you. I can get the papers, but we have called for tenders so many times during the last six months, that I could not say what these instructions were.

Q. I quite understand that you cannot remember each individual case, but I thought possibly you could give us the information if I brought the matter to your attention in that way.—A. I can give you the information.

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*By Mr. Boys:*

Q. I suppose you could describe the method followed in my own town?—A. I can produce the papers in any of these purchases.

*By Mr. Blain:*

Q. Did you say the patronage list was abolished in May last?—A. I said as far as the dealings of the War Purchasing Commission are concerned. They took over from the 1st of May, and the departmental list didn't apply. We get our instructions from the War Purchasing Commission in every case since the 1st of May.

Q. Since then everybody has been treated alike?—A. No, we get our instructions from the Commission, whatever these instructions may be. In some cases they give us a list of names, in some cases we get tenders publicly.

*By Mr. Kyte:*

Q. Would you say the list of names given you by the Purchasing Commission are not the names of those you already had on the patronage list?—A. The list would coincide in some particulars, in some particulars it would not. It was not identically the same list by any means.

Q. But generally speaking it would be the same?—A. No, it was not.

Q. At all events some of the names were the same?—A. Some were.

*By Mr. Carvell:*

Q. Does the purchasing by the Commission go through your office?—A. Yes, for the Militia Department.

Q. That is to say, if you want clothing the purchasing is all done by you?—A. Yes.

Q. The War Purchasing Commission send instructions to you that they want you to purchase certain articles?—A. Yes.

Q. And then they give you instructions as to the manner in which the articles shall be purchased? This is very interesting information, I think we ought to have it.—A. The requisition comes from the quartermaster general for clothing. The quartermaster general when he wants clothing makes a requisition, and afterwards—

Q. A requisition to the War Purchasing Commission?—A. To the Deputy Minister. Those requisitions are submitted to the War Purchasing Commission, and we get instructions from them.

Q. Go on, Mr. Brown.—A. We get instructions from the War Purchasing Commission as to the—

Q. As to what?—A. As to the method of purchasing.

Q. Do they tell you that you are to purchase from your own patronage list?—A. No.

Q. Or do they give you a list of firms to whom you are to apply, or do they tell you to advertise publicly?—A. Sometimes one and sometimes the other.

Q. Then they direct you?—A. Yes.

Q. As to whether you are to use your own patronage list?—A. Yes.

Q. Whether you are to use the list they furnish you or call for public tenders?—A. As a matter of fact, the departmental list, as I say, was discarded last spring. We get our instructions from the War Purchasing Commission and they might make use of some of the names on that list or they might not; but the two things are not identical at all.

*By Mr. Sinclair:*

Q. They have never sent you a complete list —A. No.

Q. They simply send you a list of names when they ask you to make purchases?—A. Yes.

Q. For each individual item or transaction?—A. Yes.

MR. H. W. BROWN.

## APPENDIX No. 1

*By Mr. Bennett:*

Q. Let me ask you this question: a number of shoe packs were bought from a firm called the Gendreau Company of Penetanguishene?—A. Yes.

Q. Were they ordered direct by the War Purchasing Department, or ordered through your Department?—A. The order was given through my office.

Q. On the recommendation of the War Purchasing Commission?—A. The War Purchasing Commission would, and did in that particular case, furnish us with a list of the manufacturers of shoe packs, and I think it was a pretty complete list. There are 14 or 15 altogether. We got tenders from them all.

*By Mr. Carvell:*

Q. Tenders from all what?—A. From all 14 or 15 firms.

Q. Firms making what?—A. Shoe packs.

Q. Were any tenders invited from the Palmers?—A. The two Palmers of Fredericton.

*By Mr. Bennett:*

Q. In the case to which I refer, the Gendreau Company was given the contract?—A. Yes.

*By Mr. Blain:*

Q. The list that was in use in 1896 was in operation down as far as 1911. Were any names transferred from that list to the new one?—A. I cannot tell you that—I think there were.

Q. Take the list in regard to clothing, for example?—A. Yes, there were.

Q. There were some names, and a considerable number of them, which were on the list in use prior to 1911 transferred to the list in use after 1911?—A. I do not know how many were transferred, but there were some transferred, certainly.

Q. With reference to the purchasing of supplies in my own county, the way it was done there was that the militia officers having charge of the purchasing fixed the prices for the different articles they required, which were fair and reasonable prices, and the different grocers and butchers were given an opportunity to furnish the goods at those prices, they were given the business week about so that they all got an opportunity?—A. When was that.

Q. Right now.—A. I did not know that, that was not done through our office.

By Mr. BLAIN: It was done through the officer having charge.

Witness discharged.

Committee adjourned.





OFFICIAL REPORT OF EVIDENCE

TAKEN BY THE

PUBLIC ACCOUNTS COMMITTEE

IN CONNECTION WITH

KIRK & CO.



Mr. Blain, for Mr. Middlebro, from the Select Standing Committee on Public Accounts, presented the Second Report of the said Committee, which is as follows:—

Your Committee have had under consideration the accounts, vouchers and other papers, relating to a payment of certain amounts to Kirk & Company, for coal in connection with British Columbia dredging, as set out at V-437 and V-438 of the Report of the Auditor General for the fiscal year ended March 31, 1915; and in connection therewith have examined witnesses under oath and, for the information of the House, report herewith the evidence given by such witnesses and the exhibits filed during the said examination; and your Committee recommend that the same be printed as an Appendix to the Journals, and that Rule 74, relating thereto, be suspended.





## HOUSE OF COMMONS,

COMMITTEE ROOM No. 301.

MONDAY, March 6, 1916.

The Select Standing Committee on Public Accounts met at 11 o'clock a.m., Mr. Bennett (Simcoe), in the absence of the Chairman, presiding.

The Committee proceeded to the consideration of a payment of certain amounts to Kirk & Company for coal in connection with British Columbia dredging as set out at page V-437 and 438 of the Auditor General's Report for the fiscal year ending March 31, 1915.

Mr. H. P. HILL, called, sworn and examined.

*By Mr. Carvell:*

Q. Mr. Hill, you reside at Ottawa?—A. Yes.

Q. You are a practicing solicitor, are you?—A. Yes.

Q. And you were appointed by the Minister of Public Works, I think, to investigate the supplying of coal in the city of Victoria during the last three or four years?—A. Yes.

Q. And did you hold that investigation?—A. I did.

Q. And when?—A. I forget exactly the date, but it was about the end of November or the beginning of December.

Q. And you made a report to the Department, did you?—A. Yes, I made a report.

Q. Mr. Hill, I think perhaps I am negligent, but I did not inform the Public Works Department that I wanted to have the originals here this morning?—A. Mr. Doody is here, he has them.

(Originals produced by Mr. Doody and handed to witness.)

Q. Have you the original report here?—A. Yes, this is the original report.

Mr. CARVELL: Now, Mr. Chairman, I do not want to take up the time of this Committee by having the whole of this report read; I would be quite prepared to consider it as having been read and to have it put upon the record.

The ACTING CHAIRMAN: Is it the pleasure of the Committee that this report be placed in the Minutes and considered as having been read?

Motion carried. (For Report see Appendix.)

Examination of Witness continued.

*By Mr. Carvell:*

Q. Now, Mr. Hill, before you went to Victoria to conduct this investigation I understand you were armed with a letter from Mr. John Kingham addressed to the Auditor General complaining of the manner in which coal had been supplied to the Departmental Dredges in Victoria Harbour. Is that right?—A. A copy of a letter.

Q. And that copy is contained in the report which you have made?—A. Yes.

Q. So that any hon. member can read the report and find the copy of the letter there?—A. Yes.

Q. Generally speaking, what was the substance of this complaint?—A. He complained that he had tendered for coal and that he had been the lowest tenderer,

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but that he had not been given the orders, that the order had been given to another company at a higher figure.

Q. Do you remember, offhand, what were the prices in Kingham's tender?—A. It is in the report here (consults report).

Mr. CARVELL: I think you will find it on page 2.—A. On page 8 I have it. Kingham & Co.'s tender for the "M.F." contract was for No. 1 best lump \$5.25 per ton, and for No. 1 washed nut \$4.75 a ton; and for "M.H." contract No. 1 best lump, \$6.50, and No. 1 washed, nut, \$6.

Q. Under whose contract?—A. There were two tenders asked for, "M. F." and "M. H."

Q. I see. Now, were there any tenders lower than his or as low?—A. Not for the "M.F." contract. He was awarded the "M.F." contract.

Q. Was it not a fact that he had been supplying coal to those different services prior to that for some two or three years?—A. He had the year before, I know that.

Q. The evidence is clear as to that: the year before he had it. To whom was the business given?—A. The business was given after the outbreak of the strike to the J. M. Kirk & Co., for a while, part of it, and then to the Victoria Fuel Co.

Q. Now, who was the gentleman who interested himself in getting the business for Kirk & Co?—A. A man named Price.

Q. Who you described in your report as the secretary of the Conservative Association in Victoria?—A. Yes.

Q. And in this report how much did Mr. Price receive for his services?—A. Price received 50 cents a ton.

Q. And practically how many tons were delivered?—A. I do not know whether that is added up, Mr. Carvell. I think it was somewhere between 2,500 and 3,000, if I remember right.

Q. The total amount of the order must have been around \$15,000?—A. Somewhere around \$12,000 to \$15,000.

Q. The amount of coal delivered was something between \$12,000 and \$15,000, and Mr. Price received 50 cents a ton. Would his commission amount to \$1,500?—A. More like half of that. I do not know that I set out in my report exactly what he did receive.

*By Mr. McKenzie:*

Q. If you have the number of tons—A. It can be very easily fixed from that.

*By Mr. Carvell:*

Q. Just take the time, if you please, Mr. Hill, to figure that out. On page 23 you will find some figures. It seems to me that maybe the Crown Fuel Co.—A. That is for the quarantine station, I think, that is not for the dredging.

Q. Would you not find it in Kingham's letter?—A. No.

Q. I think so?—A. On page 21 you will find the number of tons on four scow loads. There were two other scowloads in addition, with amounts of 493 and 342 tons.

Q. How much altogether?—A. (After calculating) 2,066 tons.

Q. And 50 cents on that would be practically a thousand dollars?—A. That is from the coal supplied in scowload lots.

Q. I thought, Mr. Hill, that you would find it. What I wanted to know was whether it was supported by evidence. On page 4 of your report is the following:—

"Between the 1st of April, 1913, and the 31st of March, 1914, according to your report, the Government purchased 2,164.81 tons of coal for the dredges *Mudlark* and *Ajax*. This was during the term of my contract. The Government paid for this quantity \$15,203.67—under my contract the Government would have paid \$11,389.45, or equal to \$3,814.22—"

Mr. H. P. HILL.

## APPENDIX No. 1

—A. I do not think these figures were quite correct; I think they were approximately correct. For instance, that is what it looks to me, as if there was a hundred tons more.

*By Mr. Barnard:*

Q. Would those figures on page 21 throw any light on it?—A. They are absolutely correct.

*By Mr. Carvell:*

Q. It would be around 2,000 tons?—A. Something around that.

*By Mr. Barnard:*

Q. About 1,500 tons?—A. There are two scowloads in addition on page 21.

*By Mr. Carvell:*

Q. Then it would be fair to say that Mr. Price received approximately one thousand dollars in commission?—A. From the coal sold by the scow load.

Q. Yes. And that the Government paid, we will say, around \$3,000 more for the coal than they would have had they purchased it under the Kingham contract. I think I have understated it rather than overstated?—A. Well, something like that.

Q. That is all I want to get at. Then you said that another company had furnished coal to the Government besides Kingham and Kirk & Co.?—A. The Victoria Fuel Company.

Q. And from the evidence, who composed the Victoria Fuel Company?—A. Oh, I forget now, it is in the evidence. I think the list of principal shareholders is in the evidence. A man named Graham, if I remember right, was the president of the company.

Q. Was Mr. Price a shareholder?—A. He had nothing to do with the company.

Q. Was there not another company supplying coal to the Government in which Mr. Price was interested?—A. I think you are thinking of the Crown Fuel Company. Mr. Price was carrying on business as the Crown Fuel Company.

Q. Himself?—A. Yes, as the Crown Fuel Company.

Q. And during the years 1913 and 1914 will you tell me what amount of coal Mr. Price, as the Crown Fuel Company, sold the department. You will find it on page 23?—A. 445 tons at \$6.50.

Q. Was that the same kind of coal as Kingham had tendered for?—A. No, he did not tender for this coal. You are confusing the quarantine station with the dredging.

Q. Was it the same kind of coal?—A. I think it probably was the same kind or grade. But you must remember that this was for the quarantine station. There was a very small amount of coal used; this 445 tons is all that was bought in two years. Tenders were not called for.

Q. There were no tenders for that?—A. No, Mr. Kingham supplied coal for the quarantine, but charged more than for the dredging.

Q. The evidence is there was something like 50 cents a ton more. They had to screen it and sack it, and put it on the wharf, and take it off again?—A. No, not for the quarantine.

*By Mr. Blain:*

Q. Mr. Price, in addition to being secretary of the Conservative Association, was a coal dealer at the time?—A. He was sub-agent for an established firm. He held an agency.

Q. He was a seller of coal?—A. He sold coal, and other business.

*By Mr. Carvell:*

Q. What was his business prior to the time he went into the coal business in 1913 and 1914?—A. I think he was a sort of general commission agent.

Mr. H. P. HILL.

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Q. Did you in your inquiry find that he had handled any coal prior to 1913?—A. He did not. I think my recollection is he did not.

Q. This was his first introduction in the coal business?—A. He had bought some land intending to go into the coal business and had been blocked. He could not obtain an agency from a mine.

*By Mr. Blain:*

Q. My point was to find whether or not he was a dealer in coal when he had made these sales?—A. Yes, he was selling coal also as an agent prior to that.

*By Mr. Carvell:*

Q. But not before 1913? It is quite true I think he has developed now into a coal dealer?—A. He was selling coal to private parties during the time he was selling to the Government.

*By Mr. McKenzie:*

Q. I come from a coal country, and there the Government, when it needs coal, buys direct from the owners. British Columbia is somewhat similar to Nova Scotia in that respect. Now, is there any reason why the Government, when it needs coal out there, could not buy direct from the coal companies?—A. I do not know. I did not look into that question at all.

Q. Those coal sellers you spoke of are not the coal companies?—A. As I understand it, the different coal companies on Vancouver island have their regular agents in the different cities, for instance, in Victoria and Vancouver, who sell exclusively from one mine. There might be arrangements made with these agents and mine owners that you could not buy direct from the mine, but I do not know as to that.

Q. What I am asking you is if these men who are selling coal are not the coal companies?—A. I understand that they are the agents. Tenders are advertised for and these men tender.

Q. But they are not the coal companies themselves?—A. They are coal dealers.

Q. Middlemen?—A. No, I do not know about that. They are largely merchants.

*By Mr. Carvell:*

Q. You say that according to the evidence Mr. Price had been selling coal that year to other parties?—A. I think I say that in my report, do I not?

Q. Turning to page 13 of your report I will ask you whether these sentences which I shall quote, correctly state your opinion as to Mr. Price's conduct.

The CHAIRMAN: I do not think that is evidence.

Mr. BARNARD: Mr. Hill's report is before the Committee. With all deference I suggest that this whole examination is irregular.

The CHAIRMAN: The understanding was that in order to avoid the expense of bringing witnesses here from British Columbia, Mr. Hill should be asked to attend here and identify the evidence.

Mr. CARVELL: Not the evidence so much as the report.

The CHAIRMAN: The evidence that was before him.

Mr. CARVELL: And the evidence as well, I mean.

Mr. BARNARD: Does Mr. Carvell expect Mr. Hill to say something contrary to his report? The report is there to speak for itself. I do not see on what ground Mr. Carvell takes a piece from it and asks the witness what his opinion of it is.

The CHAIRMAN: You might ask the witness if his report is based on the evidence presented to him, and if he is prepared to stand by it to-day or if he has heard anything to the contrary.

Mr. H. P. HILL.



## APPENDIX No. 1

*By Mr. Carvell:*

Q. (Quoting from report)

"While, perhaps, some allowance could be made for Nelson's entering into the agreement, no allowance can be made for Price's conduct. His unscrupulous cupidity and lack of honour in prostituting the honourable position to which his fellow-members of the Conservative Association at Victoria had elected him, is much to be regretted".

Do you feel that you are justified in making that severe comment from the evidence?—A. I would not have made it if I didn't.

Q. It is a fact, is it not, that the Mr. Nelson referred to there was a Government Inspector of Dredging in British Columbia?—A. Yes, he was the Superintendent of Dredges.

Q. Your report condemns Mr. Nelson very severely, does it not?—A. Yes.

Q. And coincident with the investigation Mr. Nelson resigned. Whether or not it was the result of the investigation you are not prepared to say?—A. No, when I got back to Ottawa I heard that he had resigned.

Q. In your report you said it was your intention to recommend the Department to dismiss him?—A. Yes.

Q. But he resigned, and you were not called upon to do so?—A. No.

*By Mr. McKenzie:*

Q. Could you tell us who this Mr. Nelson was? I never heard of him before.—A. He was the superintendent of dredges in British Columbia. That is all I know about him.

Q. You held him responsible for this kind of conduct?—A. Certainly.

*By Mr. Barnard:*

Q. Mr. Kingham, you said, was the lowest tenderer on the M.F. or was it the M.L. contract?—A. On the M.F. contract.

Q. Will you look at page 14 of your report?—A. Yes.

Q. The tender to be found there is Mr. Kingham's tender, is it not?—A. Not the original tender. That was the second tender he sent in.

Q. What were the circumstances as regards these two tenders?—A. The original tenders were sent in, I think, during the month of April, and were forwarded to Ottawa about the 1st of May. A strike broke out which resulted in the closing of the mines, so that it was impossible to obtain Canadian coal.

*By Mr. Carvell:*

Q. Except one?—A. Yes, except one. The Government in August passed an Order in Council awarding the contract to Mr. Kingham, who was notified in the usual way by Mr. Nelson. Then Mr. Kingham sent in this tender on receipt of the notice that he had been awarded the contract, a contract based on the other tender.

Q. On being told that the contract based on the original tender had been awarded to him, he sent in a fresh tender?—A. Yes.

Q. What was the difference between the first and second tenders?—A. The difference was: in the first tender Canadian coal had been the coal that was to be supplied. In the second one the coal was stated as "run of mine."

Q. The first tender specified the best?—A. The best lump Canadian.

*By Mr. Carvell:*

Q. That was during the strike. It was to be Seattle coal, run of mine, during the strike?—A. Yes, until the Nanaimo mines were able to supply the coal.

Mr. H. P. HILL.

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*By Mr. Barnard:*

Q. The price was the same?—A. The price was the same, yes.

Q. Now, from the evidence before you at the inquiry, was the impression made upon you that there is a very considerable difference in quality between the Vancouver Island coal and the Washington coal?—A. Yes, there is a very great difference between them.

Q. That is to say, the Vancouver Island coal is better?—A. A very much superior coal.

Q. Did you also find that "run of mine" coal is very much inferior to the best Canadian?—A. Yes, it is a poorer coal.

Q. So that Mr. Kingham in his second tender was not living up to the contract as shown by the original tender?—A. No.

Q. The second tender was an altogether different proposition—a very much better one for Mr. Kingham and a very much worse one for the Government?—A. Certainly.

Q. Do you remember whether or not Mr. Kingham made any inquiries as to why he was not receiving any orders?—A. He did not make any inquiries.

Q. He did not?—A. No.

Q. He never asked Mr. Nelson about it and never complained to him?—A. No. I think that was in my report, if I remember aright.

Q. Did he complain to the Department direct?—A. No.

Q. In other words, he sat back and nursed his grievance?—A. That is what he did.

Q. Did it come out in evidence that he was an official of a political organization out there?—A. Yes, he is president of the Liberal Association.

Q. Did it also come out in evidence that for a great many years prior to 1911, he was supplying coal to the Dominion Government?—A. Well, he had been supplying coal for some years.

Q. Was it not your impression that Mr. Kingham was a great deal more anxious to have a grievance than he was to supply coal?—A. Oh, very much.

*By Mr. Carvell:*

Q. That does not affect the Dominion Government in dollars and cents does it?—A. Oh, no.

Q. Now was it not also a fact that Kirk and Company supplied Seattle run of mine coal during the term of the contract just the same as Kingham offered?—A. I would not say it was all supplied run of mine coal, but I should judge some of it was of very inferior quality. I think some of that shipment was stated to be run of mine coal.

Q. Then, taking a portion of the coal supplied by these parties to be the same as the coal which Kingham informed the Department he would have to furnish during the contract, they still got the \$6.70 for it?—A. Kirk got \$7.

Q. For that Seattle coal?—A. Yes.

Q. And Kingham was willing to furnish Seattle coal for how much?—A. I would not like to say it was the same coal. Prices seem to vary tremendously at Seattle.

Q. But he offered it at what price?—A. He offered to supply Seattle run of mine coal at \$5.25.

Q. And Kirk did furnish Seattle coal of the same kind, did he not?—A. Yes, at \$7.

Witness retired.

Committee adjourned.

Mr. H. P. HILL.

## APPENDIX 3.

## REPORT OF MR. HAMNETT P. HILL TO THE MINISTER OF PUBLIC WORKS.

The Honourable the Minister of Public Works,  
Ottawa.

Dear Sir,—

I have the honour to inform you that in accordance with the commission that was issued to me bearing date the 20th November, 1915, I held an investigation at Victoria British Columbia, on the 25th, 26th, 27th, 29th and 30th November, and the 1st of December, 1915, regarding the methods employed and the prices paid in connection with the purchase of coal by the Public Works Department of Canada, for use by the Departmental dredges at Victoria, B.C., and at William Head Quarantine Station during the years 1913, 1914 and 1915.

Mr. M. B. Jackson, Solicitor, Victoria, appeared for Mr. Joshua Kingham and Kingham and Company, and Mr. H. W. R. Moore, also of Victoria, appeared for W. H. Price. Both these gentlemen were extended the privilege of cross-examining the witnesses.

*Re* COAL PURCHASED FOR THE VICTORIA DIVISION OF THE BRITISH COLUMBIA DREDGING FLEET.

The following letter from Joshua Kingham to the Auditor General forms the basis on which I proceeded in this investigation.

“October 15, 1915.

“J. FRASER, Esq.,  
“Auditor General,  
“Ottawa.

“Dear Sir,—

“Your letter of the 7th inst., dated from Vancouver, B.C. duly received and contents noted.

“The following paragraph in your letter is not true:—

‘The reason given to me by Mr. Nelson for not continuing during that year to purchase from you was that in the spring word was received from the captains of both dredges that they were practically out of coal, and could not obtain any more at that time from you, and that it was absolutely necessary in order to keep the dredges in operation. The captains were then instructed to obtain coal elsewhere, which they did.’

“I did inform the captains of the dredges *Ajax* and *Mudlark* early in May, 1913, that I could not supply them with scowload lots of Nanaimo coal until the mines were again in operation, but I could supply them, at the contract price, with coal from the state of Washington, U.S.A. I had a stock of coal on my wharves of nearly 500 tons at the time I advised the captains I could not supply scowload lots from the Nanaimo Mines. The dredges did not get Island coal, but secured their coal from Kirk & Co., of this city, from the state of Washington, and was the same grade of coal that I could have supplied them with at the contract price. Instead of giving me the orders at \$5.25 per ton the Government paid \$7 per ton, and in some cases 50 cents

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a ton extra for discharging. I did supply the following coal to the Lobnitz Rock Crusher Drill Plant:—

1913.			
May	1—To 12 tons Lump Coal at \$6.75.....	\$81 00	
"	5—To 12 tons Lump Coal at \$6.75.....	81 00	
"	9—To 12 tons Lump Coal at \$6.75.....	81 00	
"	14—To 12 tons Lump Coal at \$6.75.....	81 00	
"	16—To 10 tons Lump Coal at \$6.75.....	67 50	
"	23—To 2 tons Lump Coal at \$6.75.....	13 50	
June	13—To 10 tons Lump Coal at \$6.75.....	67 50	
Aug.	27—To 13 tons Nut Coal at \$5.75.....	74 75	
"	28—To 12 tons, Nut Coal at \$5.75.....	69 00	

Also on June 13, 1913, I supplied a scowload of 588,700 pounds Washington lump coal for the Quarantine Station at the price of \$5.75 per ton discharged and delivered in the bunkers at the Quarantine Station.

"I was never without coal during the strike of the Island Mines, and could also supply scowload lots or smaller quantities. The strike of the Island Mines lasted approximately from the 1st of May to the 1st of November, 1913, excepting the Comox Mines at the northern end of this island. This coal was obtainable all through the strike. I also offered to supply the dredges, through the captains, Comox coal at \$5.75 per ton, but their reply to me was their instructions were under no consideration were they to give me an order.

"The reason that the price is higher for the Lobnitz and the Drill Plant is because the \$5.25 per ton contract called for scowload lots, on scows owned by the Government, delivered alongside the dredges. The coal supplied to the Lobnitz Drill Plant had to be discharged on our wharves, screened, sacked and weighed, and delivered to the Lobnitz and Drill Plant.

"Another portion of your letter is incorrect:—

'I am informed that at that time, owing to the strike, coal was much higher than your contract prices, and if that was the reason for your not fulfilling the contract, you could hardly expect the Department to go back to you for coal when it had reached its normal conditions.'

Coal was no higher in the year 1913 than it was in 1912, neither did I charge my customers one cent more. This statement can be verified by the advertisements in the daily papers during the period of the strike.

"You will observe I stated I sold one load of coal to the Quarantine Station at the same price as my contract for 1912. This was Washington coal. The next load was purchased from Kirk & Co., the price paid, according to your 1913 and 1914 report, was \$86.50 per ton, plus discharging which amounted to 50 cents per ton, or making \$1.25 per ton more than was paid me for my load. These statements you can verify by your own report. The contract was officially awarded to me on August 18, 1913, during the strike of the Island Mines. Mr. Nelson, the Superintendent of the Dredges, knew well when he awarded me the contract I inserted the following:—

"Until the Nanaimo Mines are again able to supply us with their coal, we shall have to procure the coal from the state of Washington. The coal we are handling is the Grand Ridge coal. On account of the tugs which do our lighterage refusing to tow the Government scows across the Straits of Juan de Fuca we shall have to bring the coal on scows owned by the tugs, and twenty-five cents (25c.) extra will be charged for discharging the scows to Government scows or elsewhere, and a reasonable time allowed for discharging and in quantities not less than four hundred tons (400)."



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"If I refused (which I did not) in May to supply coal to the dredges on account of the strike, why was the contract awarded to me on the 18th of August when the strike was still on? You can verify from my stock book that not one day in the year 1913, or any other year since I have been in business, have I been without coal."

"The fact of the matter is this, Mr. Auditor General, Mr. Kirk, of the firm of Kirk & Co., Ltd., told me, in the presence of five other witnesses, that he had to divide his profits with Mr. H. Price, Secretary of the Conservative Association. This fully explains the reason one of the captains of the dredges told me he had instructions from Mr. W. H. Price under no consideration was he to place an order with me.

"The Washington coal is very much inferior coal to the Island coal. I believe that it was necessary for the captains of the dredges to double up their shifts of stokers to be able to do any work at all.

"Between the 1st of April, 1913, and the 31st of March, 1914, according to your report, the Government purchased 2,164.81 tons of coal for the dredges *Mudlark* and *Ajax*. This was during the term of my contract. The Government paid for this quantity \$15,205.67—under my contract the Government would have paid \$11,389.45 or equal to \$3,814.22 over and above the price of my contract, or a fair profit. In addition to this the Government purchased from Kirk & Co.'s wharves a considerable quantity of coal for the Lobnitz rock crusher and the drill plant at \$7.50 per ton, against my \$6.75. The load that Kirk & Co. supplied the quarantine station cost the Government \$1.25 per ton more than was paid me for the load which I supplied. My price was the same as the contract price for 1912, and if the order had been given to me instead of Kirk & Co., it would have been at the same price, viz., \$5.75 per ton discharged and delivered in the bunkers. The Government have been paying excessive prices for the coal supplied to them to the various departments in the city on account of Mr. W. H. Price, Secretary of the Victoria Conservative Association. It is a matter that should be investigated.

"I should like also to add with regard to coal being supplied to Military District 11, Victoria, B.C. The department publicly called for tenders which were to be in Ottawa on March 25, 1915. I did not send a tender. Several of the other coal dealers did. No contract has been awarded up to date. Kirk & Co., were allowed to continue under their 1914 contract. Within the last ten days two firms in this city, who are coal dealers, were asked to tender to supply the department with coal for one month. This was done privately. The following are coal dealers in the city of Victoria: Hall & Walker, Victoria Fuel Co., McKay & Gillespie, Ltd., J. E. Painter & Son., Kirk & Co., Ltd., and J. Kingham & Co. Only two were asked to tender."

Yours very truly,

It might be as well before going into the details of the purchase of coal to explain in a general way the methods of purchasing and delivering coal for the dredging fleet in British Columbia.

An official known as the Superintendent of Dredges for British Columbia, with an office and staff in Vancouver, B.C., exercises a general supervision over the various units of the dredging fleet, has charge of the purchase of supplies needed, and the captains of the various dredges and tug boats are subject to his orders and directions.

The coal mines at Nanaimo on Vancouver Island, prior to 1913 and since that date have supplied the coal needed and this coal is referred to in the evidence and hereafter in my report, as Island coal. The coal required for both the dredges and tugs is what is known as the best lump coal. A small amount of nut coal is used by the tugs, but the amount required is very small.

It is customary early in the spring of each year, to advertise in newspapers for tenders for the different supplies needed for the coming fiscal year. Coal is required each year for the dredges and the tug boats at Victoria, and advertisements are published in Victoria newspapers, asking coal dealers to submit tenders.

Owing to the method of delivering coal in 1913 to the dredges being different from that followed in connection with coal required for the other vessels, it was necessary to advertise for tenders for each method. In connection with the dredges, the contractor was required to tow the scow belonging to the dredge to the mine, fill it at the mine and tow it back to the dredge.

In connection with the tugs, the rock crusher, and the drill plant, the contractor supplies the coal from the bunkers on his own wharf, in bags. It is therefore more expensive to provide the coal to the tugs, rock crusher, and the drill plant as the same is cleaned and sifted and placed in bags, the additional handling necessary, accounting for the additional expense.

When the tenders are received, the superintendent forwards them to the Department at Ottawa, with his recommendation and an Order in Council is then passed awarding the contract to the successful tenderer. The Superintendent of Dredges is notified of the awarding of the contract, and he in turn notifies the successful tenderer and the captains of the various dredges and tugs.

When coal is required by any of the captains, they order it direct from the contractor by requisition. The invoice for the same, is in the first place sent to the captain ordering the coal, who certifies on the invoice that the quantity is correct, and then forwards the invoice thus certified to the Superintendent of Dredges at Vancouver; this official certifies on the invoice that the price is the contract price or else that it is fair and just and forwards same to the Accountant's office at New Westminster, who then issues the Departmental cheque. It happens sometimes, as in 1913, that the contract for the coming fiscal year, cannot be awarded prior to the close of the current fiscal year. In such an event the old contractor is asked to continue to deliver coal at his contract prices, until the new contract is awarded.

In March, 1913, Mr. John Linn Nelson was appointed the Superintendent of Dredges for the province of British Columbia. One of his first duties was to arrange for the purchase of supplies for the different units of the fleet in the different parts of British Columbia, including coal that would be required for the fiscal year 1913-14, at Victoria, B.C. Owing to the time of year when he was appointed, and to the fact that there were no printed forms of tender in his office, there was some little delay in advertising for tenders. Accordingly on the 26th of March, 1913, he wrote J. Kingham & Co., who had held the contract for the fiscal year 1912-13, asking them if they would continue their existing contract at the same prices until tenders were called for, to which they replied that they would. While Mr. Nelson in his letter only asked J. Kingham & Co., to continue the contract until tenders were called, I think he meant, and it was understood by J. Kingham & Co., that he did mean until new contract was awarded.

Tenders were called for in the usual way by advertisements dated April 3, 1913, published in the *Colonist* and the *Week*, two newspapers published in Victoria.

Two forms of tenders were asked for, one marked "M.H.", being for coal to be delivered from the bunkers on the contractor's wharf to the tugs, and the other being marked "M.F.", being for coal delivered in scowload lots in Government scows at the dredges. These advertisements called for tenders to be delivered to the superintendent by noon on April 19, 1913. Two tenders were received for each of the contracts. Tenders for the "M.F." contract were as follows:—

Victoria Fuel Coy.—

No. 1. Best lump; price per ton.. . . .	\$5 50
No. 1. Washed nut; price per ton.. . . .	5 00

J. Kingham & Co.—

No. 1. Best lump; price per ton.. . . .	5 25
No. 1. Washed nut; price per ton.. . . .	4 75

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and for contract "M.H." two tenders were received, namely:—

Victoria Fuel Coy.—

No. 1. Best lump; price per ton.. . . .	\$6 00
No. 1. Washed nut; price per ton.. . . .	5 50

J. Kingham & Co.—

No. 1. Best lump; price per ton.. . . .	6 50
No. 1. Washed nut; price per ton.. . . .	6 00

For some reason, which Mr. Nelson could not explain, he recommended to the department at Ottawa that the Victoria Fuel Co. be awarded both contracts, although J. Kingham & Co. were the lowest tenderers under the "M.F." contract.

About the 1st May, 1913, a very widespread strike occurred in the coal mines on the island of Vancouver, and all the mines were obliged to close down with the exception of one mine in the Comox district, which mine was represented at Victoria, B.C., by a firm known as Hall & Walker. The coal from this mine which was of a very high character, in fact the best on the island for steaming purposes, was available all during the strike, which lasted until about the end of September, 1913. On account of this strike and the closing down of the Nanaimo mines, the operations of the various dredging fleets was placed in jeopardy; in fact the situation was so serious that the department installed oil burning apparatus in several of the dredges at Vancouver and New Westminster.

On the 9th May, 1913, Captain Newcombe of the drêge *Ajax*, called at J. Kingham & Co.'s office, and had an interview with Mr. J. Kingham, and was told by him that he could not supply any Island coal to the dredges or tugs until the termination of the strike, but that he could supply coal from the state of Washington. This coal was referred to by the witnesses as Seattle coal, it is a bituminous coal of inferior grade, Captain Newcombe, quite properly, before agreeing to accept this inferior coal, telegraphed Mr. Nelson at Vancouver as follows:—

"VICTORIA, B.C., May 9, 1913.

"Superintendent of Dredges,  
P. O. Building,  
Vancouver.

"No coal to be got in Victoria. Can get a scowload from Seattle; will I secure it? Have coal on board for one week only.

(Sgd.) J. M. NEWCOMBE."

On the same day Mr. Nelson received the following telegram:—

VICTORIA, B.C., May 9, 1913.

"Superintendent of Dredges,  
P. O. Building,  
Vancouver, B.C.

"Understand that Kingham cannot supply coal on account of all mines being closed. I can get you 150 tons of Seattle coal from my firm. Would be pleased if you would put this my way. No other coal on market.

(Sgd.) W. H. PRICE."

Mr. Price was at that time the Secretary of the Conservative Association at Victoria. Shortly after Mr. Nelson's appointment to his present position, he was in Victoria and had been introduced to Mr. Price. Mr. Price is a shrewd, astute, plausible and energetic gentleman not overburdened with a troublesome conscience. He apparently set his mind at work to discover how he could best profit by the golden opportunity now presented to him of becoming the guide, philosopher and friend of a newly



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appointed official of the Government who was an utter stranger in Victoria. It would appear that Mr. Nelson who is a good-natured easy-going gentleman quickly fell under the sinister influence of the wily Mr. Price and was content to accept his statements and place a confidence in him which the latter gentleman did not hesitate to take advantage of and abuse.

On receipt of these two telegrams, Mr. Nelson telegraphed Mr. Price as follows:—

VANCOUVER, B.C., May 10, 1913.

“ W. H. Price,

Secretary of Conservative Association,  
Victoria, B.C.

“ Please order through your firm 150 tons Seattle coal.”

(Sgd.) J. L. NELSON.

On the 12th May, 1913, Captain Brown of the dredge *Mudlark* had an interview with Mr. Kingham in which he was told that no more Island coal was available, but that he could supply Seattle coal. Captain Brown then telegraphed Mr. Nelson as follows:—

“ Got two days' supply coal, outward order into Kingham one week, but no chance of getting any; please advise.”

Mr. Nelson replied to this telegram the same day as follows:—

“ Communicate at once with W. H. Price *re* coal supplies. Order good supply if he can get it for you.”

Mr. Nelson was aware at the time from the newspapers and from his experience in Vancouver and at New Westminster that there was a prospect of coal becoming very scarce and he was naturally anxious to keep the dredging plant in operation and apparently when he received Mr. Price's telegram, he felt justified in quickly taking advantage of the offer, and arranging for as large an amount of coal as possible.

While this may be some justification for Mr. Nelson giving this first order to Mr. Price, yet he in my judgment should not have done so without first inquiring of J. Kingham & Co., as to what they could do in the matter of delivering Seattle coal and also ascertaining what sum Mr. Price would charge for the coal and if that price was better than the sum quoted by Kingham & Co. He should have also, before arranging with Mr. Price and in view of the serious condition of affairs, communicated with the Department at Ottawa, advising them fully and asking for instructions; or if he felt that the matter was of such urgency that no time should be lost, he should have written to the Department immediately afterwards informing them of what he had done. Mr. Nelson did none of these things. Mr. Price was not and never had been a coal merchant, but he swore, and his evidence was corroborated by Mr. Kirk of J. Kirk & Co., that some weeks previously he had made a tentative arrangement with Mr. Kirk that he should act as sub-agent for him, although no agreement had been made as to what his commission was to be.

Captain Brown and Captain Newcombe, in accordance with their instructions, called to see Mr. Price who took them to the office of J. Kirk & Co., coal merchants at Victoria, and it was there arranged that Mr. Kirk should supply a scowload of Seattle coal. Nothing whatever was said at the interview about the price of this coal. Mr. Kirk charged the Government for this scowload of coal \$7 a ton, and Mr. Price received a sub-agent's commission of 50 cents per ton, whereas the ordinary sub-agent's commission for the coal sold in small lots was only 25 cents per ton. I am satisfied that Price bargained with Kirk & Co. for this additional commission and was paid same because he was in a position to give the order to whom he pleased and at apparently the vendors' own figure.

Within two or three days after these telegrams had been exchanged Mr. Nelson was in Victoria and saw Mr. Price and an agreement was then made and entered into



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that Kirk & Co. should supply the coal to the dredges until oil burners were installed in same, Mr. Nelson apparently being under the impression that the Department were about to install oil burners on the dredges. The price was fixed at \$7.50, for the coal delivered from the bunkers on the wharf and \$7 for the coal delivered by the scowload to the dredges. Mr. Price represented to Nelson that these were the very lowest figures that could be obtained in Victoria, that at these prices the margin of profit was extremely small and that Kirk & Co. were not at all anxious to take the contract and were only doing so as a special favour.

Mr. Nelson's usurpation of authority in entering into this agreement is, in the light of after events difficult of explanation. The agreement was an absurd and improper one. He could have purchased the coal at a very much cheaper figure. It can be said on his behalf that he was a new official, a stranger, as it were, in a strange land, and was confronted with a totally unexpected condition of affairs. Severe rioting had taken place at the mines and troops had been ordered out, and the possibility of the whole fleet being obliged to suspend operations owing to lack of coal was on his mind, and he apparently thus felt justified in immediately taking advantage of the opportunity of ensuring a prompt, permanent and satisfactory supply of coal and also thought he was justified in placing confidence in Price and being advised by him as the latter was holding a position of trust and responsibility in a political organization supporting the Government and would naturally have been expected to have the interests of the Government at heart. It might also be said that Nelson was devoid of conscience and had nothing in his mind except the desire to assist Price in making some easy money and did so knowing that he was false to his position and indifferent to the expenditure of public money. I am inclined after reading the evidence over very carefully, and after studying Nelson and Price as they gave their evidence to the view that Nelson was at the time actually deceived by Price into entering into this agreement, but that his desire to please this gentleman led him into a too ready acquiescence. An older and more experienced official would have repulsed Price at the outset. What he should have done in regard to the whole matter is self evident. Mr. Nelson's action in continuing to purchase under the agreement after he became aware that he had been deceived and that he could purchase coal for much less than he had agreed to pay can only be explained as due to the fact that he was lacking in courage and strength of will sufficient to renounce his agreement which would have entailed throwing Price over and thus perhaps making him unfriendly towards him. That and a mistaken sense of honour led him to adhere to the agreement. He did not obtain any commission or remuneration or any division of profits of any kind whatever in connection with the purchases. While perhaps some allowance can be made for Nelson's entering into the agreement no allowance can be made for Price's conduct. His unscrupulous cupidity and lack of honour in prostituting the honourable position to which his fellow members of the Conservative Association at Victoria had elected him is much to be regretted.

Mr. Price promptly notified Kirk & Co. of having obtained this order for them and the captains of the dredges and tugs were duly notified to purchase the coal from Kirk & Co., and did so as the memorandum attached hereto shows for the greater part of the fiscal year. Mr. Price was paid a commission of 50 cents per ton on all coal so sold, not only on the scowload lots, but also on what was sold from the bunkers on the wharves.

Mr. Nelson did not notify the Department at Ottawa of his agreement with Kirk & Co., and on the 22nd of August, 1913, the Department at Ottawa still being quite in the dark as to the situation at Victoria passed an Order in Council awarding the "M. F." contract to J. Kingham & Co., and the "M. H." contract to the Victoria Fuel Coy., the two lowest tenderers, thus overriding Mr. Nelson's recommendation, and Mr. Nelson was duly notified that these two parties had been awarded the contract, and he in turn notified these parties of the award. The delay in awarding the con-

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tract had no bearing on the matter as J. Kingham & Co. had held the contract for the previous year at the same figure as they had tendered for the present year.

On receipt of Mr. Nelson's notification, J. Kingham & Co. did something which casts grave doubt on their bona fides. They made a copy of the original tender on a Departmental printed form of tender which they happened to have in their office, but altered the original tender by several insertions.

"The following is a copy of this document, the underlined words not being in the original tender:—

VICTORIA, B.C., Contract M-F.

# PUBLIC WORKS OF CANADA.

## BRITISH COLUMBIA DREDGING FLEET TENDER FOR THE SUPPLY OF COAL.

From April 1st, 1913 to March 31st, 1914.

To:—

THE SUPERINTENDENT OF DREDGES,  
DEPARTMENT OF PUBLIC WORKS,  
VANCOUVER, B.C.

SIR:—

(I, we) hereby offer and agree to supply and deliver to the Department of Public Works, Canada, at such times and in such quantities as may be required until March 31st, 1914, best Steam Coal at the prices given below.

Delivered in Victoria Harbour, alongside dredge, wharf or other place that may be specified, towing done by us on scows supplied by the Department. *Subject to the conditions below. Run of Mine. BEST LUMP. Price per ton (2240 lbs.) \$5.25*

WASHED NUT. Price per ton (2240 lbs.) \$4.75.

Signed J. Kingham & Co.,  
per J. Kingham.

Business address, Box 320,  
Victoria, B.C.

Date . . . . . 1913.

*"Until the Nanaimo Mines are again able to supply us with their Coal we shall have to procure the coal from the State of Washington. The Coal we are handling is the Grand Ridge Coal. On account of the tugs which do our lighterage refusing to tow the Government scows across the Straits of Juan de Fuca we shall have to bring the coal on scows owned by the Tugs, and twenty-five cents (25 cts.) extra will be charged for discharging from scows to Government scows or elsewhere, and a reasonable time allowed for discharging and in quantities not less than four hundred (400) tons."*

J. K.

They then sent the amended form of tender undated to Mr. Nelson. It will be noticed that this alleged tender offers *Run of Mine* Seattle coal at \$5.25 per ton, a totally different thing from best lump coal, for which they had originally tendered. I feel it is only fair to Mr. Nelson to point out here that in Mr. Kingham's letter to the Auditor General, copied above, and in a letter which he wrote to and was published in the *Victoria Times*, he represented that this alleged tender was his original tender and was the one that had been accepted and on which the contract had been awarded by the Order in Council.

Mr. Kingham's attitude appeals to me as that of a man more anxious to have a grievance than to sell coal. He knew when he made the statement to the Auditor General that this alleged tender was his original tender, that it was not so, and that the deductions he was drawing from the same were not justified.

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Although he had been awarded the contract by the Order in Council and despite the vigour and indignation displayed in his letter to the Auditor General and to the *Times*, he made no effort whatever, even of the slightest nature, to enforce his right to perform the contract which had been awarded to him. Although he knew that the orders which he claims should have been coming to him under the contract were being given to Kirk & Co., he never complained to Mr. Nelson nor to the Department at Ottawa, nor to the Auditor General as a man naturally would who was desirous of taking advantage of his contract. He knew in August, 1913, as appears on page 124 of the evidence that Kirk & Co. were being paid \$7 a ton. Had he been in earnest that was the time to complain to the Department or to the Auditor General, and so have saved the Government a large amount.

Some explanation for his attitude is disclosed by his books. He was purchasing coal in Seattle at prices varying from \$3.90 to \$4.15 a ton. The duty on coal was 59 cents a ton and the towage rate from Seattle to Victoria was 50 cents a ton, making a total charge of \$1.09, or making the cost of the coal to him delivered in Victoria from \$4.99 to \$5.24. I think it is fair to presume that the best lump coal would have cost him \$5.24 which would have given him a profit on the sales to the dredges of one cent per ton.

He claimed to have made special arrangements with his Seattle principals to obtain the coal required for his contract at \$3.90 a ton which would have enabled him to make a profit of 26 cents per ton. This, however, according to his own contention, would have been run of mine coal which was not what was wanted.

As will appear by the statement hereunto annexed and by Mr. Kingham's letter to the Auditor General, dated 15th October, 1915, set forth above, he, during the months of May and June supplied some coal to the Lobnitz Rock Crusher and to the Drilling Plant. For this coal he charged the Department \$6.75 a ton, or \$1.50 a ton more than the coal supplied on the scows to the dredges. Kingham & Co. were not under any contract obtained by tender to deliver coal to the Lobnitz Rock Crusher or the Drilling Plant from the bunkers on their wharf. The reason for this extra charge of \$1.50 is set forth in his letter as follows:—

"The reason that the price is higher for the Lobnitz and the Drill Plant is because the \$5.25 per ton contract called for scowload lots, on scows owned by the Government, delivered alongside the dredges. The coal supplied to the Lobnitz Drill Plant had to be discharged on our wharves, screened, sacked and weighed and delivered to the Lobnitz and Drill Plant."

I would point out in passing that Kirk & Co., who gave no indication of any lack of greed, only charged 50 cents a ton for these services and the Victoria Fuel Co. also computed these services as being worth 50 cents.

Mr. Kingham should remember his Cato:—

*"Quae culpare soles ea tu ne feceris ipse"*

*"Turpe est doctoris cum culpa redarguit ipsum"*

He also states in his letter that he offered to supply the dredges through the captains Comox coal at \$5.75 per ton, but that their reply to him was that they had been instructed that under no consideration were they to give him an order. This is denied by both captains, although one admitted that on one occasion meeting Mr. Kingham on the street they had some chaffing in regard to no orders being given him. Both captains, however, stated that they had never received instructions that they were not to give him an order.

Mr. Kingham also states in his letter to the Auditor General that it was necessary for the captains of the dredges to double up their shifts of men to be able to do any work at all owing to the Washington coal being much inferior to the Island coal. This, however, should not be construed to be any reflection on the coal delivered by Kirk & Co., as it would apply to Seattle coal if it had been obtained from Kingham & Co.

The Victoria Fuel Co., when they received Mr. Nelson's notification, mentioned above, wrote him stating that they could not deliver Canadian coal owing to the strike,



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but that they could deliver Seattle coal at \$6.60 a ton and asked him if he would be agreeable to pay the extra 60 cents per ton to cover the duty. Nelson wrote them saying that during the continuance of the strike he would be willing that they should receive the additional sum. Under the circumstances I consider this request was reasonable, and that it was a fair and proper one to grant. Mr. Nelson, however, should not have assumed the responsibility of paying more than the contract price without first conferring with the Department at Ottawa, and receiving proper sanction.

Mr. Nelson failed to notify the captains of the dredges and the tugs who the successful tenderers were and they continued to deal largely with Kirk & Co., and Mr. Nelson continued to certify that Kirk & Company's prices of \$7.50 per ton were fair and just, and this despite the fact that he could have obtained the coal from the proper contractors at \$6.60 per ton. Mr. Nelson's explanation was that on account of the arrangement he had made with Mr. Price in May he felt he had to continue to buy the coal from Kirk & Co., at the prices arranged although he would have liked to have got out of the arrangement. He apparently was under the impression that Kirk & Co. had arranged for the purchase of the coal necessary and that he would have got into trouble had he refused to carry out his agreement. The following questions and answers are illustrative of his viewpoint:—

Q. . . . . Why didn't you tell the department what you were doing out here?—A. What I had done with Kirk & Co. . . . . What would Kirk & Co., have done with me. . . . . for the coal I had ordered.

Q. What coal had you ordered?—A. I ordered a supply of coal sufficient to run our fleet until such times as the strike was settled or we installed oil in our different units.

This adherence of Mr. Nelson to the contract with Kirk & Co., undoubtedly lost the Government of Canada a large amount of money. Mr. Nelson stuck to it although he had a letter from the Victoria Fuel Company, offering him coal at \$5.25 per ton, and even after the strike was over and the contractor, Kingham, could have supplied the coal at his contract price, he took the attitude that his arrangement with Kirk & Co., made in the early days of the strike, obliged him to continue to purchase from them.

In my judgment Kirk & Co. showed themselves to be lacking in reliability and honest business ethics. Their books disclosed the fact that they were obtaining a profit which they themselves admitted was unduly large. They paid Price for these Government orders double the usual commission and endeavoured to hide the transaction by making the cheques for same payable to a member of their firm who cashed same and gave Price the money. It is impossible to read the evidence and not to come to the conclusion that they knew full well that Nelson was proving false to the position he was occupying and that they were knowingly taking advantage of his derelictions.

That they were deliberately attempting to deceive Nelson as to the proper price for coal the following incident clearly shows: On November 20, 1913, Mr. Nelson wrote to them complaining that the charge of \$7.50 per ton was too high, and asking them if they could not give him a cheaper rate, to which they replied on November 22, that they could not do anything better than the price already charged "for even at this rate we are not making as much as we should," to which letter Mr. Nelson replied on the 25th stating that he could not take any more coal from them at \$7.50 per ton as the Department was drawing his attention to the difference in price for his coal and other coal from the same mine. On December 11 Kirk & Co. wrote Nelson as follows: "*Through continual pressing the Jingle Pot Mines to reduce the price of their coal to such a point where we could compete with the other mines we are very pleased to inform you that we have secured the reduction required and can now quote you the following prices on Jingle Pot coal \$6.75 per ton.*" It will be noticed that this is a reduction of 75 cents per ton. Mr. Kirk, the secretary-treasurer of Kirk & Co., admitted to me that there had been no reduction to them at the time, and that the



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statement was untrue. It will thus be seen that Kirk & Co. were perfectly willing to sell at \$6.75 per ton instead of \$7.50 per ton. Nelson in replying to this letter on December 12 informed Kirk & Co. that their price was still too high, and that under the circumstances they would be unable to give them any more business.

On March 18, 1914, towards the close of the fiscal year Kirk Co. wrote to Mr. Nelson stating that they were "now in a position to supply you with Jingle Pot coal at the same rate as you are now paying." The secretary-treasurer of Kirk & Co. admitted that at that time they had obtained a reduction of 40 cents per ton at the mine. Kirk & Co. were therefore offering to reduce the price of their coal by \$1.50 a ton because they were paying 40 cents a ton less for same at the mine. This was to me a new departure in business methods.

In addition to misrepresenting the proper price of coal they did not hesitate to misinform Mr. Nelson as to the kind of coal they were providing. When Nelson wrote them asking for this information they replied that all the coal supplied in small lots from the bunkers on their wharf was Canadian coal, whereas the evidence showed that until after the close of the strike towards the end of September it was Seattle coal that had been supplied. They also stated that two of the six scowloads of coal supplied were Canadian coal, whereas only one of such scowloads was Canadian coal.

I am satisfied that Kirk & Co. would have been glad to have supplied coal at a very much lower rate than they received. The following statement shows what the four scowloads of Seattle coal they provided cost Kirk & Co. per ton, including duty and towage charges:—

June 14, 375 tons.. . . .	\$4 75 per ton.
July 15, 393 tons.. . . .	4 41 "
August 31, 390 tons.. . . .	4 41 "
September 30, 373 tons.. . . .	5 59 "

The scowload which was purchased from them on November 18 was of Island coal, but was a mixture of nut coal and pea coal, and cost them to deliver, including towage, \$4.27 per ton. All these scowloads of coal were sold to the Government at \$7 per ton. The average cost of same was \$4.67 a ton so that the average profit was \$2.33 per ton. The secretary-treasurer of Kirk & Co. stated that he considered a proper profit on wholesale lots from 25 to 50 cents per ton.

All the coal purchased from Kirk & Co. and delivered from the bunkers on the wharf could have been purchased from the contractors at \$6.60 a ton until the termination of the strike, and at the contract price of \$6 per ton thereafter. Kingham & Co. could only have supplied under their contract the last scowload of coal that was purchased.

A scowload of Comox coal, the best steam coal on the coast, was sold by Hall & Walker to H.M.S. *Rainbow* at \$5.50 a ton and although there was some divergent evidence in regard to an interview between the captains and a clerk at Hall & Walker's office, I am satisfied that if Mr. Nelson had made any serious efforts to obtain Comox coal he could have obtained it at that figure. It is only fair to point out that Mr. Nelson has his office and residence in Vancouver. He is over in Victoria frequently, but the captains of the dredges although they knew the excellence of Comox coal never mentioned to him that this coal was available or suggested to him that he should try to obtain it from Hall & Walker. Mr. Walker, of Hall & Walker, stated that this firm would have been perfectly willing to have supplied Comox coal at \$5.50 a ton, but even if they were charged as much as \$7 per ton it would have been cheaper to have paid this amount as the Comox coal is worth at least \$2 more per ton than Seattle coal from the viewpoint of efficiency.

For the improper amounts paid as above Mr. Nelson as the Government official responsible is primarily to blame and has to bear the odium. As I have pointed out above, however, I find that he did not profit in any way in connection with the purchases. I am of opinion that Mr. Price is the greater sinner of the two. If he had

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not interfered or if he had respected the confidence that Mr. Nelson placed in him, and had honestly assisted the latter as he should have done the irregularities which are set out above would probably not have occurred. It had been my intention to recommend that Mr. Nelson be dismissed from his position as Superintendent of Dredges for British Columbia, but I have learned that he has forestalled my action by forwarding his resignation to you, which resignation I understand has been accepted.

In connection with the coal purchased for the fiscal year 1914-1915, I find that tenders were called for in a proper way, that Kirk & Co. were the lowest tenderers, that the contract was awarded by Order in Council at Ottawa to Kirk & Co., and that Kirk & Co. delivered the coal at the contract price, with the exception of some small purchases at reasonable prices for causes which appeared to me proper.

In connection with the coal purchased for the fiscal year 1915-1916, the tenders were called for in the proper way, Kirk & Co., were the lowest tenderers; the contract was awarded by Order in Council to Kirk & Co., and up to the date of my sittings at Victoria all coal had been purchased from Kirk & Co., at the contract price.

*Re* COAL DELIVERED TO THE DOMINION QUARANTINE STATION, WILLIAM HEAD, VICTORIA, B.C.

At the opening of the inquiry Mr. Kingham's Counsel, Mr. M. B. Jackson, stated that he did not propose to take any part in the inquiry as Mr. Kingham, his client, was not concerned in same, and he accordingly withdrew. Mr. Moore continued to act for Mr. Price.

The purchase of coal for the Quarantine Station at William Head was attended to on behalf of the Department of Public Works in the years 1913, 1914, and 1915, by Mr. William Henderson, the resident Architect for the Department of Public Works for the province of British Columbia.

No tenders were called for coal for the fiscal years 1913-1914 and 1914-1915, so that Mr. Henderson had to this extent a free hand in the purchase of coal. He made the following purchases during these years:—

June 13, 1913.—

October 31, 1913.	345.08 tons @ \$6.50 per ton.. . . .	2,242 65
J. Kingham & Co	588,700 lbs. @ \$5.75 per ton.. . .	\$1,692 51
Unloading,	55 cents per ton.. . . .	189 25
February 19, 1914.	546,480 lbs. @ \$5.75 per ton.. . . .	1,622 88
December 1, 1914.	227 tons @ \$6.50 per ton.. . . .	1,475 50
Crown Fuel Coy.	Unloading, 60 cents per ton.. . . .	113 50
		<hr/> \$1,589 00

February 11, 1915.

Crown Fuel Coy.	218 tons @ \$6.50.. . . .	1,417 00
Unloading,	60 cents per ton.. . . .	130 80
		<hr/> \$1,547 80

Mr. Henderson explained that just shortly before the order was given to Kirk & Co. Mr. Kingham had informed him that he could not supply Canadian coal to the Quarantine Station, and that in consequence of this he spoke to Mr. W. H. Price, mentioned in the other inquiry, about coal, and Mr. Price said he would attend to it and the coal was delivered by Kirk & Co., Mr. Price obtaining his usual commission. The Crown Fuel Coy. was the ever present and insistent Mr. Price. He had by this time become established in the coal business and was carrying on the same under the

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name of Crown Fuel Coy. The coal was purchased by him from the Kensington Collieries Mining Coy., who have a mine at Ladysmith near Nanaimo.

As will be noticed above there is some variation in the price of coal between that purchased from Kingham & Co., and that from Kirk & Co., and the Crown Fuel Coy. I do not feel, however, that Mr. Henderson should be severely censured for this. He is an old employee of the Government having been appointed in 1897. From inquiries I have made in Victoria I can assure you he is a gentleman of the highest reputation, and is regarded by the general public as a man of rugged honesty. Mr. Price on the contrary is———Mr. Price.

For the fiscal year 1915-1916 tenders were called and the contract was awarded to the lowest tenderer, the Victoria Fuel Coy., and they have received all the orders for coal since then at the contract price.

I desire, Sir, to express to you my appreciation of the uniform courtesy and kindness displayed towards me by Mr. Jackson and Mr. Moore. I feel very much indebted to both of these gentlemen for the very great assistance they were to me in ascertaining the facts set out in this report.

I beg to hand you herewith the stenographic copy of the evidence taken at the inquiry.

I have the honour to remain, Sir,  
Your obedient servant,

Ottawa, Ont.

February 17, 1916.

(Sgd.) HAMNETT P. HILL.



















